Sieyuan

2025

Environmental, Social and Corporate Governance (ESG) Report

Shanghai Sieyuan Power Capacitor Co., Ltd.



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About the Report

The Report is the 2025 Environmental, Social and Corporate Governance (ESG) Report of Shanghai Sieyuan Power Capacitor Co., Ltd. (hereinafter referred to as “the Report”). It aims to disclose to stakeholders the Company’s philosophies, approaches, practices and operational status in environmental, social and corporate governance aspects throughout the year 2025.

Reference Standards

The Report was prepared with reference to the following standards and frameworks:

- *Sustainability Reporting Standards* (GRI Standards 2021) issued by Global Sustainability Standards Board (GSSB)
- *United Nations Sustainable Development Goals* (UN SDGs)
- Sustainability Accounting Standards Board (SASB)
- *International Financial Reporting Standards Sustainability Disclosure Standards 1–General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1)
- *International Financial Reporting Standards Sustainability Disclosure Standards 2–Climate-related Disclosures* (IFRS S2)
- *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*
- *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report (Revised 2026)*

Scope of the Report

Reporting Period: The Report covers our activities undertaken from January 1, 2025, to December 31, 2025. For comparability and prospective purposes, certain content may exceed the above time range.
Organization Scope: The Report covers Shanghai Sieyuan Power Capacitor Co., Ltd.

Designations

In this Report, “Sieyuan Capacitor”, “the Company” and “We” all refer to Shanghai Sieyuan Power Capacitor Co., Ltd. “Sieyuan Electric” and “the Group” refer to Sieyuan Electric Co., Ltd. (the Company is a holding subsidiary of Sieyuan Electric Co., Ltd.).

Data Sources

All data disclosed in this Report are derived from the Company’s official documents and statistical records. Unless otherwise stated, the data in the Report are measured in metric system and the currency is denominated in Renminbi (RMB).

Reliability Statement

The Company declares that this Report contains no false records, misleading statements or material omissions, and shall be responsible for the authenticity, accuracy and completeness of its content.



About Sieyuan Capacitor

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



Company Overview

Shanghai Sieyuan Power Capacitor Co., Ltd. is a specialized enterprise engaged in the production of power capacitor and complete sets of equipment, established with high-standard investment in 2004 by Sieyuan Electric Co., Ltd. (Stock Code: 002028). Located in Xinzhuang Industrial Park in Shanghai, an economically developed international metropolis, the Company has a total investment of RMB 150 million. After six phases of iterative upgrading of its production lines, its annual production capacity has reached 40,000 Mvar.

Sieyuan Capacitor focuses on the R&D, manufacturing, sales and service of power capacitor and power quality solutions. Through independent innovation in technology, craftsmanship and services, it helps customers improve efficiency and save energy, enhance the efficiency and stability of power transmission and utilization, and create mutual benefits with customers.

Sieyuan Capacitor has been successively certified as a Shanghai High-tech Enterprise, Shanghai Enterprise Technology Center and Shanghai Little Giant Enterprise. Leveraging the Group advantages of Sieyuan Electric, it has set up a Power Capacitor Substation under the Post-doctoral Workstation. Supported by the Group's super-computing center, the Company boasts simulation capabilities covering mechanical simulation, thermal design simulation, electromagnetic and insulation simulation, electromagnetic compatibility simulation, power system simulation, and power artificial intelligence. It carries out industry-university-research cooperation with numerous well-known universities and research institutes, achieving fruitful results in multiple fields such as simulated electric fields, seismic analysis and testing. With the advancement of its R&D capacity, the technical level of its products has achieved major breakthroughs. Multiple products have passed product appraisal by the National Energy Administration, with comprehensive performance indicators reaching internationally advanced levels among comparable products and leading domestic technological development.

The Company has prepared and constructed a capacitor testing center since 2012 with a total investment of approximately RMB 15 million. It consists of a physical-chemical laboratory, basic laboratory, type-testing laboratory and noise research laboratory, mainly undertaking raw material inspection, type-testing, special tests and noise tests for capacitor, so as to provide technical supporting data for capacitor development and design. The testing center has passed appraisal by industry experts and obtained an appraisal report, and was accredited by CNAS in 2022. Meanwhile, Sieyuan Capacitor is capable of conducting factory acceptance tests for collective capacitor, frame-type capacitor devices, and box/cabinet-type capacitor devices.

Committed to the manufacturing philosophy of automation, informatization and intelligence, Sieyuan Capacitor operates highly efficient, intensive and eco-friendly digital automatic production lines for power capacitor. World-leading fully automatic winding machines are adopted for element winding. The Company independently participated in the R&D of the industry's first automatic welding workstation for capacitor elements and fuses, which enables automatic element conveying, automatic fuse fabrication, automatic element encapsulation and fuse bonding, as well as automatic element-to-fuse welding, ensuring consistent production quality. Automatic box-filling and palletizing are realized by automatic box-filling machines for core assemblies. The vacuum treatment system has been upgraded to the third generation, and a highly intelligent accumulating chain product conveying system has been built. The factory acceptance test pipeline has been upgraded to an advanced digital fully-automatic testing line for the capacitor industry, laying a foundation for big data-based product management. A new eco-friendly painting line with automatic paint mixing, automatic spraying, heating and leak-testing functions has also been constructed. Advanced intelligent technologies combined with dedicated craftsmanship guarantee safe, reliable, efficient and eco-friendly product performance.

Adhering to the quality policy of "Pioneering and innovating to build a brand-leading enterprise in the capacitor industry; pursuing continuous improvement with customer satisfaction as the ultimate goal", the Company has established a comprehensive management and control system for raw materials and auxiliary components. Premium products are selected as major materials, including high-quality aluminum foil for electrode plates, double-sided roughened films and high-performance eco-friendly benzyl toluene insulating oil for insulating media, and mechanically rolled integrated outlet bushings, providing raw material assurance for lean production. The ERP system has further improved the Company's supply chain management system. Quality management and labor competition activities are extensively carried out across all workshops and teams in diverse and engaging forms, which not only motivate broad employee participation but also boost production efficiency and product quality.

Sieyuan Capacitor's products are available across six continents, covering more than 30 countries and regions, and widely applied in various industries including power, new energy, data centers, metallurgy, iron and steel, petrochemicals, and rail transit. It has ranked first in the industry in State Grid centralized procurement market share for eight consecutive years. In China's UHV grid construction, the Company has participated in 21 UHV DC transmission projects and 13 UHV AC transmission projects, ranging from the "±800 kV Yunnan-Guangdong UHV DC Project", to the "±1100 kV Changji-Guquan UHV DC Project and ±800 kV Baihetan-Jiangsu UHV DC Transmission Project", as well as the "1000 kV Huainan-Nanjing-Shanghai UHV AC Demonstration Project" and "1000 kV Nanchang-Changsha UHV AC Project". Up to now, Sieyuan has supplied over one million units of products to global customers. The reliable operation of its products has won recognition and trust from clients at home and abroad.

While achieving rapid development, Sieyuan Capacitor actively fulfills its social responsibilities, commits to giving back to society with care, and carries out social welfare activities. It has made outstanding contributions to local community welfare, education, charity, disaster relief and other causes, earning praise and attention from all sectors of society.

Building on past achievements and forging ahead with perseverance! Sieyuan Capacitor will keep innovating to meet global customers' demands for products and services, strive to become a world-leading enterprise, wholeheartedly serve customers, and commit to creating greater value and success for them. We aim to make power transmission safer, more controllable and more efficient!

Corporate Culture

Mission | Smarter Power, Better Life.

Vision | To Become a Global Leader in the Electrical Industry.

Core Values | Delivering Success to Customers, Innovating and Surmount; Honesty and Integrity, Openness and Collaboration; Self-criticism and Reflection, Diligence and Perseverance.

Development Milestones

Time	Contents
November 8, 2004	Shanghai Sieyuan Power Capacitor Co., Ltd. was established.
December 20, 2005	Equipment for Phase I Project (annual output was 3,000 Mvar) was successfully commissioned and put into production.
May 19, 2006	Won its first bid worth RMB 2.43 million (Shaanxi Electric Power Company).
May 28, 2006	Obtained the GB/T19001-2000 Quality Management System Certification Certificate from Shanghai Quality System Audit Center.
August 10, 2006	First application of single-unit large capacity 667 kvar products (two sets of TBB10-6000/667AK for 66 kV Guangji Substation of Jilin Electric Power Company Limited).
December 3, 2007	Won its first bid for a national ±800 kV UHV demonstration project (three sets of TBB525-301824/524AQW for Suidong Converter Station of the Yunnan-Guangdong ±800 kV Project under China Southern Power Grid).
December 3, 2007	Recognized as a High-tech Enterprise by the Science and Technology Commission of Shanghai Municipality.
December 16, 2007	Elected as a member unit of the 5th Council at the 5th Session of the 4th Council, the 1st Session of the 5th Council & General Membership Meeting of the Power Capacitor Branch of China Electrical Equipment Industrial Association.
March 10, 2008	Products of TBB525-217728/378AQW supplied to the ±500 kV Gaopo Converter Station in Anshun, Guizhou under China Southern Power Grid were successfully put into grid-connected operation.
August 2008	Won the bid for the renovation project of Tianshengqiao-Mawo Converter Station of the ±220 kV Tianshengqiao-Guangzhou Phase I Project under China Southern Power Grid (one set of TAL230-184896/428AQW).
August 18, 2008	Cooperated with GE of the United States for the first time and won the bid for series compensation devices for Hezhou under China Southern Power Grid (two sets of TCB500-390528/339AFW).
September 2008	Major equipment for the Phase III Project (annual output was 12,000 Mvar) was successfully commissioned and put into production.
May 18, 2009	Won its first bid for a 750 kV substation project of “two sets of TBB66-152160/634AQW for the Phase V Expansion Project of Qian County750 kV Substation of Northwest China Grid Co., Ltd.”.
June 5, 2009	Shunt capacitor compensation devices of TBB525-301824/524AQW supplied to Suidong Converter Station of the Yunnan-Guangdong ±800 kV UHV DC Demonstration Project under China Southern Power Grid were successfully put into operation in one time.
June 26, 2009	Awarded as “Shanghai Little Giant Science and Technology Enterprise”.
November 8, 2009	Marked the 5th anniversary of the establishment of the Sieyuan Capacitor. Two product appraisal meetings were held simultaneously, where all 11 types of capacitor products across 4 series passed appraisal. Among them, 7 products were recognized as domestically leading, signifying that the Company’s products had secured a leading position in the industry.
January 25, 2010	The TCB500-96120/445AQW fault current limiter in Hangzhou, developed in cooperation with China Electric Power Research Institute, was successfully put into operation in one time.
March 29, 2010	The TAL220-143726.4/332.7AQW filter capacitor complete set for Nanqiao Converter Station of the ±500 kV Gezhouba-Nanqiao DC Transmission Project of State Grid Corporation of China was successfully commissioned at the first attempt.

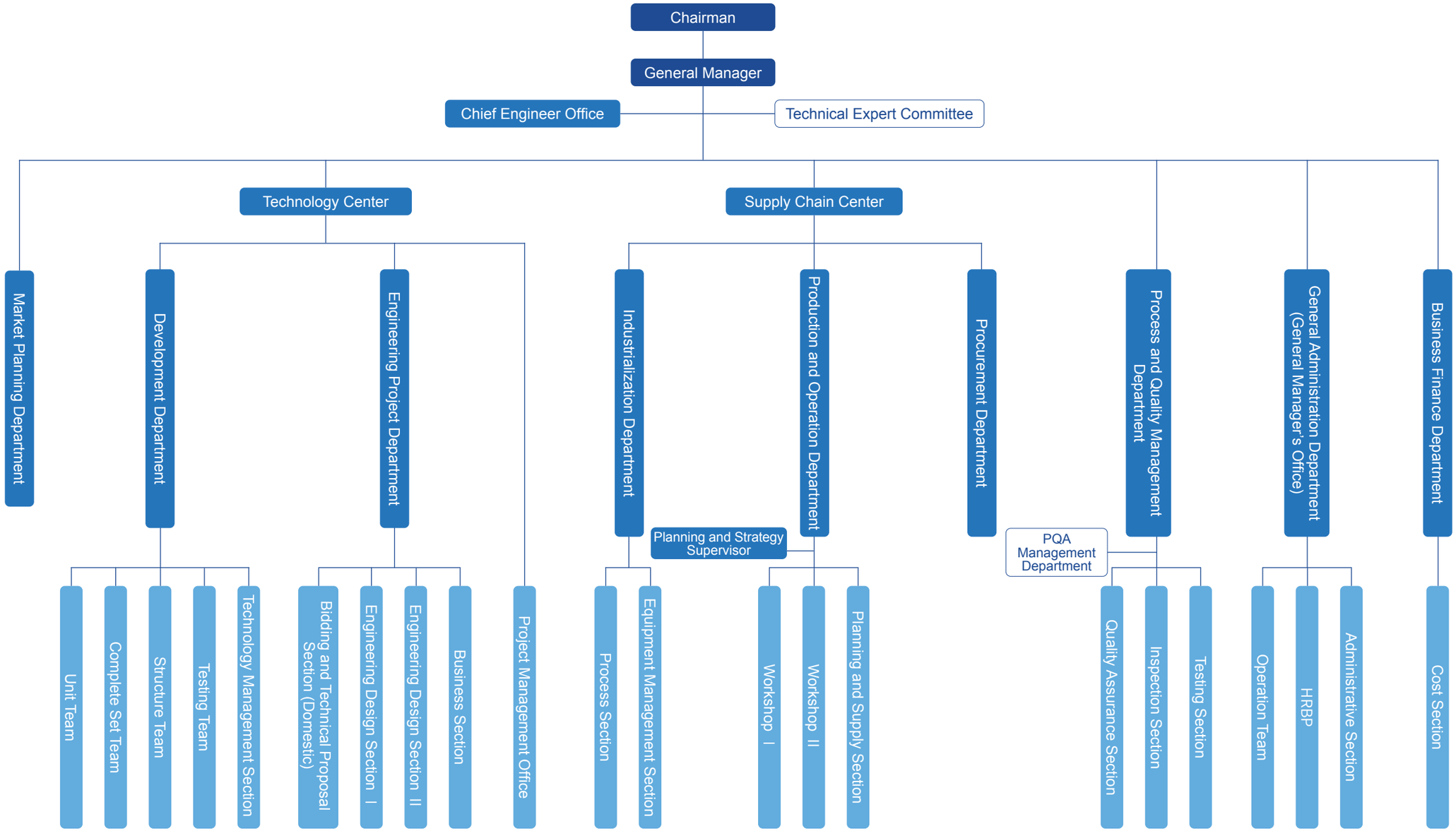
September 13, 2010	The TCB500-663552/576AQW series capacitor compensation device for Guyuan 500 kV Switching Station of State Grid Corporation of China was successfully put into operation in one time.
February 2011	Won the bid for “TCB1000-1502592/559AQW series capacitor for the Changnan I Line (Changzhi Station) under the expansion project of the 1000 kV Jindongnan (Changzhi)-Nanyang-Jingmen UHV AC Pilot Demonstration Project”.
July 2011	The Company won two bids from China Southern Power Grid Corporation of TBB500-306432/456AQW shunt capacitor for Jiangmen Station in Guangdong, of the ±800 kV Nuozhadu-Guangdong DC Transmission Project, and DT11/24 and DT13/36 AC filter capacitor for Conghua Station in Guangdong, of the double-circuit ±500 kV Xiluodu Right Bank-Guangdong DC Transmission Project. The total bid amount reached RMB 142.3353 million.
December 2011	The Company completed its Phase V transformation, boosting its annual production capacity to 30,000 Mvar.
January 2012	Won the bid for TAL525-214656/559AQW (HP12/24 C1), TAL525-186144/554AQW (HP3 C1), TAL525-7920/220AQW (HP12/24 C2) and TAL525-20256/422AQW (HP3 C2) for the “Gaoling Back-to-Back DC Project of the Northeast-North China Power Grid Interconnection undertaken by State Grid Corporation of China”.
February 2012	The Company held a new product appraisal conference. 8 product types including the 1000 kV UHV series capacitor bank and 500 kV shunt capacitor bank passed appraisal by the National Energy Administration, which confirmed their advanced technical performance.
May 2012	Won the bid for “(shunt capacitor devices TBB110-240000/556AQW) for Huxi Substation in Shanghai under the second batch of substation equipment of the Huainan-Shanghai UHV AC Power Transmission and Transformation Project for Power Transmission from Anhui to East China, developed by State Grid Corporation of China”.
May 2012	Passed rigorous audits for the three management systems of ISO 9001, ISO 14001 and OHSAS 18001 conducted by BSI, a renowned certification body, and obtained certification certificates issued by BSI.
December 2012	The Company adopted project-based management for major projects. Starting from early 2012, it organized staff in batches to attend PMP training and certification examinations, with a total of 29 employees obtaining PMP certification certificates so far.
March 2013	The ±800 kV Chuxiong Converter Station project of China Southern Power Grid EHV Power Transmission Company was successfully put into grid-connected operation, marking the Company’s breakthrough from “zero” in the field of DC filter capacitor.
May 2013	DC filter capacitor were successfully commissioned at Nanqiao Converter Station of State Grid Corporation of China. Following the grid-connected operation of its DC filter capacitor at China Southern Power Grid on March 11, the Company has achieved its first grid-connected operation at State Grid Corporation of China.
September 2013	Awarded Shanghai “Top 100 Growth-oriented Enterprises 2012”, “Top 100 Tax Paid Enterprises 2012”, “Top 100 R&D Enterprises 2012” and “Top 100 Comprehensive Enterprises 2012”.
March 2014	A product appraisal meeting for UHV AC and DC Capacitor was successfully held.
June 2014	Won the bid for the Gred-Dedesa-Holeta 500 kV Power Transmission and Transformation Project of the Grand Ethiopian Renaissance Dam with a bid amount of RMB 70 million, marking a solid step forward for Sieyuan Capacitor into high-end overseas markets.
August 2015	Won the bid for the “Jiuquan-Hunan ±800 kV UHV DC Transmission Project of State Grid Corporation of China”.
December 2015	Won the bid for the “Shanghaimiao-Linyi ±800 kV UHV DC Transmission Project of State Grid Corporation of China”.
May 2016	Won the bid for the “2016 Changji-Guquan ±1100 kV UHV DC Project of State Grid Corporation of China”.
December 2016	Completed the construction of the Capacitor Testing Center (including noise research facilities), which passed appraisal by industry experts.
June 2017	Won the bid for the “TCB420-396000/660AFW series capacitor device for the Kayseri Series Compensation Project of Turkish Electricity Transmission Corporation”.
July 2017	Won the bid for the “Qinghai-Haixi 750 kV Series Compensation Project”.
December 2017	Completed the Company’s Phase VI transformation to realize automated production, with an annual production capacity reaching 40,000 Mvar.
January 2018	Won the bid for the Shandong Regional Power Grid 1000 kV UHV AC Project.
September 2018	Won the bid for the “±800 kV suspended DC filter capacitor device of the Wudongde UHV Multi-terminal DC Demonstration Project”.
December 2018	22 types of products across 11 series passed appraisal by the National Energy Administration. Breakthrough orders for box-type shunt capacitor devices were secured from Egypt and Côte d’Ivoire.
January 2019	Won the bid for the “Northern Shaanxi-Wuhan ±800 kV UHV DC Transmission Project”.
March 2019	Won the bid for “AC filter capacitor devices of the Wudongde UHV Multi-terminal DC Demonstration Project”.
June 2019	Breakthrough orders for 115 kV and 161 kV frame-type high voltage direct compensation capacitor devices were obtained from CFE.

August 2019	Won the bid for the “Yazhong-Jiangxi ±800 kV UHV DC Transmission Project”.
December 2019	35 kV collective capacitor devices were successfully delivered for the 500 kV Dinggong Substation project in Hunan. 10 kV integrated capacitor devices were delivered for projects including the Shawan Substation in Guangzhou. Breakthroughs were achieved in overseas markets such as Australia.
May 2020	35 kV collective capacitor devices were successfully delivered for the 500 kV Yaojiang Substation project in Zhejiang.
July 2020	Breakthrough orders for 33 kV box-type shunt capacitor devices were secured in the Chilean market.
October 2020	Breakthrough orders for 138 kV and 230 kV frame-type high voltage direct compensation capacitor devices were obtained from NGCP.
December 2020	Won the bid for the “Baihetan-Jiangsu ±800 kV UHV DC Transmission Project”.
May 2021	Won the bid for “500 kV AC filter capacitor devices for the Fujian-Guangdong Power Grid Interconnection Project”. Breakthrough orders for 33 kV box-type shunt capacitor devices were secured in the Saudi Arabian market.
August 2021	Won the bid for the “Baihetan-Zhejiang ±800 kV UHV DC Transmission Project”.
October 2021	35 kV integrated capacitor were put into operation in China’s first 220 kV modular prefabricated cabinet-type substation.
December 2021	Launched its first-generation smart capacitor products, featuring automatic capacity regulation, automatic switching and condition sensing functions.
January 2022	The Capacitor Testing Center obtained CNAS accreditation.
May 2022	The world’s first amplitude-phase corrector passed new-product technical appraisal.
September 2022	Fine compensation capacitor devices were successfully put into operation at Baicheng Substation of State Grid in Jilin Province.
November 2022	In collaboration with Nanjing Hydraulic Research Institute, the Company completed the development of domestic particle-film capacitor, breaking the “bottleneck” in key raw material supply. The product passed new-product technical appraisal in November and was successfully commissioned in Shenzhen on 3 April 2023.
December 2022	The world’s first amplitudephase corrector was successfully put into operation for the Baihetan-Jiangsu ±800 kV UHV DC Transmission Project.
February 2023	Won the bid for the “Sichuan-Chongqing 1000 kV UHV AC Project, the world’s highest-altitude UHV project with the heaviest ice load and most complex geological conditions”. Won the bid for the “centralized procurement project of Capacitor for Enel, the world’s second-largest power company:covering frame-type shunt capacitor devices and box-type shunt capacitor devices.
March 2023	Won the bid for the “Yangzhou-Zhenjiang ±220 kV DC Transmission Project in Jiangsu, China’s first 220 kV zonal flexible interconnection project”.
July 2023	Won the bid for the “Ningxia-Hunan ±800 kV UHV DC Transmission Project”.
September 2023	Won the bid for the “Hami-Chongqing ±800 kV UHV DC Transmission Project”.
December 2023	Obtained Shanghai Green Supply Chain Certification.
February 2024	The project titled “Key Technologies and Applications for Acoustic-Vibration Characteristics and Noise Control of Filtering Equipment in UHV Converter Stations” won the Second Prize for Science and Technology Progress Award of State Grid Corporation of China and the Second Prize for Science and Technology Progress Award of Hubei Provincial Government.
May 2024	10 kV, 11 kV, 15 kV, 20 kV and 25 kV box-type capacitor products for the Spanish market obtained TCA certification certificates.
July 2024	Won the bid for the “Northern Shaanxi-Anhui ±800 kV UHV DC Transmission Project”.
November 2024	The world’s first set of 110 kV collective capacitor was successfully installed and delivered in Baoshan, Yunnan”.
December 2024	Won its first bid for a Moroccan project and secured an order from OCP Morocco.
March 2025	Fully-domestic oil-immersed high-voltage AC filter capacitor and large-capacity high-voltage shunt capacitor passed technical appraisal by China Southern Power Grid.
September 2025	Orders for 132 kV and 220 kV Type-C filter products were successfully obtained from Transco.
November 2025	Won its first order from EGAT.

Main Products

The Company's main products include: 1 kV–24 kV shunt, series, AC filter and DC capacitor units as well as 1 kV–130 kV pulse capacitor units, 6 kV–1000 kV frame-type shunt, series and AC filter capacitor devices, test-purpose shunt and pulse capacitor towers, amplitude-phase correctors, protective capacitor/surge-resistant capacitor, ±220 kV–±1100 kV DC capacitor devices, 6 kV–110 kV collective shunt capacitor devices, 6 kV–66 kV integrated shunt capacitor devices, 6 kV–35 kV cabinet-type shunt and filter capacitor devices, and 6 kV–35 kV box-type shunt and filter capacitor devices.

Organizational Structure





Sound Governance Foundation, Steady Long-term Progress

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



11 Compliance and Risk Management
12 Business Ethics Development
12 Complaint and Reporting Mechanism
13 ESG Governance

Compliance and Risk Management

Compliance Management

Compliance Management System

Guided by compliance risk prevention and control and underpinned by an institutional framework, Sieyuan Capacitor continuously improves compliance documents, optimizes organizational structures, and cultivates professional talents. It fully undertakes and implements the compliance management requirements of Sieyuan Electric Group, building a solid compliance operation line of defense for the subsidiary.

Strictly abiding by the Group's top-level regulations, the Company thoroughly implements core norms including the *Sieyuan Compliance Code of Conduct* and the *Sieyuan Compliance Organization and Compliance Management Measures*. It has established a full-chain compliance management system covering employee conduct, business processes, third-party cooperation, supervision and accountability, ensuring compliance requirements are embedded in all aspects of operation and management. A compliance supervisor is appointed to oversee daily compliance management and control comprehensively and conduct strict compliance reviews and approvals for gift exchanges and business entertainment expenses. The database of bidding qualifications and performance documents is standardized, with approval procedures for document revision and updates completed in accordance with regulations. Meanwhile, the Company regularly promotes internal publicity and implementation of compliance systems, integrity codes and compliance management requirements, and carries out routine supervision over system implementation and compliance self-inspections to consolidate the foundation of daily compliant operation in all dimensions. The compliance supervisor regularly submits performance reports to the compliance management department, forming a closed-loop management and control mechanism and continuously enhancing compliance risk prevention and control capabilities.

Third-Party Compliance Management

The Company strengthens compliance management and control over business partners by defining full-process compliance standards and management procedures for selection and access, contract signing, and payment disbursement. It guides employees to proactively prevent, accurately identify and promptly report compliance risks of business partners, ensuring rapid resolution of all types of compliance issues. Based on key factors such as the nature of cooperating entities, scope of services, and risk level of business locations, the Company classifies business partners into low-risk and high-risk categories and conducts differentiated hierarchical due diligence. In-depth compliance reviews and multi-level approval management and control are strictly implemented for high-risk partners. All commercial collaborations adopt formal written agreements embedded with compliance restriction clauses, with a dual-review mechanism enforced for payment procedures. Full-process documents are filed for traceability and verification.

Meanwhile, the Company improves channels for compliance reporting, consultation and communication, and imposes strict accountability on employees with irregular conduct and non-compliant business partners in accordance with regulations. It consolidates the bottom line of integrity-based cooperation through full-chain, closed-loop compliance management, steadily safeguarding the high-quality and sustainable development of the enterprise.

Risk Management

Under the unified leadership of Sieyuan Electric, Sieyuan Capacitor has established a comprehensive risk management system. By strictly following the full-processes of risk identification, assessment, response and monitoring, the Company achieves closed-loop management and control, and regularized management of various risks, and continuously enhances operational resilience.

Risk Management Processes

Risk Identification	A variety of methods such as interviews, data flow analysis and case studies are adopted to comprehensively identify internal and external risk factors.
Risk Assessment	Qualitative and quantitative analyses are conducted annually on identified risks to comprehensively assess their likelihood and impact.
Risk Response	Differentiated response strategies are formulated based on assessment results, including risk avoidance, mitigation, sharing and acceptance.
Risk Monitoring	A risk monitoring indicator system is established for regular monitoring and assessment, and response strategies are adjusted in a timely manner.

Based on its sustainable development strategy, the Company systematically integrates environmental, social and governance (ESG) risks into its regular risk management system. Covering production and operation, supply chain, compliance operation, climate and environment, and employee rights and interests, the Company fully identifies potential ESG risks, assesses them in terms of "likelihood of occurrence" and "severity of impact", and implements targeted response measures to continuously improve risk prediction and resilience capabilities.

ESG Risk-related Content

Environmental Risks	Social Risks	Governance Risks
Climate change risks, resource depletion risks, pollutant management risks, waste management risks, water resource scarcity risks, air pollution risks, soil contamination risks, ecosystem damage risks, biodiversity loss risks, etc.	Labor rights and interests & human rights risks, occupational health and safety risks, gender equality and diversity risks, insufficient employee training and career development risks, customer privacy protection risks, product safety and quality risks, etc.	Compliance and ethical risks, corruption and bribery risks, intellectual property infringement risks, changes in external regulatory requirements risks, major decision-making error risks, etc.

Business Ethics Development

Sieyuan Capacitor adheres to the philosophy of integrity-based operation and strives to become an industry benchmark for business ethics. By continuously improving its internal supervision, management and control system and refining business ethics governance mechanisms, the Company ensures all business activities are conducted within legal and ethical boundaries. It adopts a zero tolerance policy toward violations of disciplines and business ethics, and enforces accountability in strict accordance with internal regulations. Severe violations shall lead to liability investigation against relevant parties in compliance with laws and regulations, consolidating the bottom line of clean operation.

Anti-Corruption and Anti-Bribery

The Company firmly opposes all forms of corruption and bribery. All employees are strictly prohibited from directly engaging in illegal corruption and bribery activities, as well as indirectly conducting such prohibited acts through partners, third parties or other channels that violate laws, regulations and the Company's integrity and compliance policies. Focusing on key business links including official exchanges, third-party cooperation, gift-giving and hospitality, public welfare donations, expense reimbursement and payment disbursement, the Company establishes a regular integrity risk prevention and control mechanism to comprehensively identify and mitigate potential integrity hazards.

The Company integrates anti-corruption and anti-bribery into the core content of regular business ethics training. Through routine advocacy, case-based warning education and interpretation of compliance standards, it strengthens all employees' awareness of integrity in professional conduct, defines red lines for business interactions, eliminates improper interest transfers and irregular fraudulent practices, and improves a long-term integrity governance management and control mechanism.

Anti-Monopoly and Anti-Unfair Competition

Upholding the principle of fair competition, the Company strictly complies with laws and regulations including the *Anti-Monopoly Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and explores markets through compliant operation and sound competition. Targeting high-risk business links such as bidding and tendering management, market development, brand promotion, pricing strategies and contract performance, the Company implements regular risk prevention and control mechanism to effectively guard against unfair competition behaviors including false advertising, commercial defamation, trade secret leakage, improper interest transfer and bid-rigging, so as to maintain a healthy and orderly market order.

Anti-Fraud

The Company strictly implements the *Sieyuan Anti-Fraud Guidelines* issued by Sieyuan Electric. Employees and business partners are prohibited from committing any form of fraud while performing duties on behalf of the Company or conducting joint business with it. Centered on prevention, detection and response, the Company establishes and improves its anti-fraud management system.

Prevention	Detection	Response
Reduce the likelihood of fraud through institutional and procedural design;	Enhance the capability to identify fraudulent acts through review, verification and abnormal signal recognition;	Conduct investigations into suspected fraud behaviors and implement rectification measures against verified fraud to prevent recurrences of similar misconduct.

Complaint and Reporting Mechanism

Reporting Channels

Sieyuan Capacitor establishes and publicizes open and transparent complaint and reporting channels for all stakeholders including employees, suppliers and customers to collect clues on violations of laws, regulations and disciplines. The Company supports real-name reporting while fully respecting relevant demands and providing anonymous reporting channels.

Complaint and Reporting Channels

Telephone Acceptance:

Compliance and Legal Department of Sieyuan Electric: 021-61610952;

Audit and Internal Control Department of Sieyuan Electric: 021-61610845

Email Acceptance:

Compliance and Legal Department of Sieyuan Electric: hgfwb@sieyuan.com;

Audit and Internal Control Department of Sieyuan Electric: sj@sieyuan.com

Postal/In-person Address:

Compliance and Legal Department/Audit and Internal Control Department of Sieyuan Electric Co., Ltd., No. 3399 Huaning Road, Minhang District, Shanghai (Postal Code: 201108)

Sieyuan
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Whistleblower Protection

The Company strictly enforces the whistleblower protection management system. For reports on all potential violations and improper conduct, the Company maintains confidentiality throughout the process. Information related to reports is shared only with designated personnel responsible for investigation within the scope necessary for verification. All staff accessing report materials or participating in case investigations shall assume confidentiality obligations and strictly protect the whistleblower's identity and report information. Personnel breaching confidentiality provisions shall be subject to disciplinary sanctions in accordance with regulations; those with serious violations shall have their labor contracts terminated in accordance with the law.

The Company adopts a zero tolerance principle against retaliation and discrimination toward whistleblowers. No employee may engage in discriminatory, retaliatory, harassing or other improper acts against any whistleblower due to their reporting actions. Any such misconduct, once verified, shall result in serious accountability and disciplinary sanctions. For cases with egregious circumstances and severe consequences, the offender's labor contract shall be terminated.

ESG Governance



ESG Management Philosophy

Sustainable Development Strategies

Intelligent Electric Power, Green Manufacturing, Safety and Integrity, Scientific Governance

Sustainable Development Policies

E

We attach importance to environmental management. By adopting green raw materials, optimizing equipment and facilities, reducing pollutant discharge and waste generation, implementing green manufacturing, and supervising the carbon emission performance of upstream and downstream partners, we strive to respond to climate change and reduce environmental burdens.

S

Covering labor and human rights, occupational health and safety, community relations and social responsibility. Against the backdrop of globalization, we endeavor to ensure that our operations worldwide comply with social ethics and responsibilities in line with local standards.

G

We are committed to abiding by laws and regulations, preventing corruption, upholding fair and transparent internal control systems, and ensuring timely and accurate information disclosure. We balance risks and opportunities, address the needs and expectations of stakeholders, and actively pursue win-win cooperation.

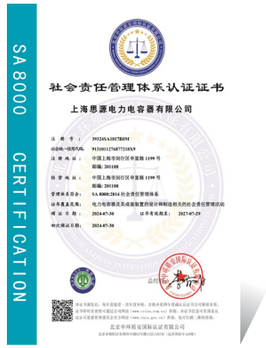
Sustainable Development Theme

Guided by its sustainable development strategy, Sieyuan Electric always prioritize social benefits as a key consideration, actively fulfills its ESG responsibilities, and strives to achieve the integration of social and economic benefits.

ESG Management System

Sieyuan Electric has established an integrated ESG management organizational structure with complete hierarchical levels, clear division of responsibilities and well-defined authority and accountability, enabling systematic and standardized advancement of ESG initiatives. Under the unified overall arrangement of Sieyuan Electric, Sieyuan Capacitor has set up a subcommittee of the Sustainability Committee tailored to its operational realities. The subcommittee is responsible for formulating ESG management philosophies, codes of conduct, development goals and management institutional systems, leading the preparation of the annual sustainability/ESG report, and coordinating all ESG-related information disclosure. It regularly reports the progress of ESG implementation to the Executive Secretary of the Group Sustainability Committee, fully supports the Committee in conducting ESG performance audits and closed-loop management of identified issues, and ensures the efficient operation of the ESG governance system.

The Company proactively benchmarks sustainability-related standards and norms such as SA 8000, and strictly implements Sieyuan Electric's internal policies including the *Environmental Policy, Labor and Human Rights Policy, Sustainable Procurement Policy*, and *Business Practices and Ethical Policies*. It continuously improves its social responsibility governance system by solidly promoting work in core areas such as labor rights and interests protection, occupational health and safety, ecological environmental protection, and resource conservation. During the reporting period, the Company's management system complied with the SA 8000: 2014 Social Responsibility Management System certification standards, with the certification remaining valid.


SA 8000 CERTIFICATION

社会责任管理体系认证证书

上海思源电力电容器有限公司

Social Responsibility Management System Certification Certificate

Communication with Stakeholders

Sieyuan Capacitor continuously improves its multi-stakeholder communication mechanism and builds an all-round communication system covering government regulatory authorities, customers, employees, suppliers and partners. Through various forms such as thematic meetings, specialized training, information disclosure, surveys and follow-up visits, the Company regularly collects and efficiently responds to reasonable demands from all parties, integrates such feedback into its sustainable development strategic planning and management mechanisms, and collaborates with all stakeholders to create sustainable development value.



Stakeholder Identification and Communication

Stakeholder Type	Concerned Topics	Response Methods
Government Regulatory Authorities	• Corporate governance • Tax security • Intellectual property rights protection • Information security • Innovation and R&D • Climate change response • Environmental protection • Energy management, etc.	• Accepting supervision • Irregular reporting • Tax payment in accordance with law • Participation in relevant meetings • Visits and inspections, etc.
Customers	• Product quality and safety • Customer relationship management • Customer privacy protection • Green products, etc.	• Online communication platforms • Customer hot-lines • Regular customer audits • Customer satisfaction surveys • Technical seminars, etc.
Employees	• Talent attraction and retention • Protection of employee rights and interests • Employee equality, inclusion and diversity • Employee development • Occupational health and safety, etc.	• Employee forums • Employee satisfaction surveys • Employee activities • Employee training • Employee development paths • Employee complaints and appeals, etc.
Suppliers and Partners	• Sustainable supply chain • Information security • Business ethics • Joint ESG development, etc.	• Daily communication with suppliers • Public bidding and transparent procurement • Supplier management and audits • Supplier training and empowerment, etc.
Research Institutions, Industry Associations and Peers	• Technical cooperation • Information Security • Industry collaboration	• Industry-university-research cooperation • Industry and association activities • Strategic cooperation, etc.
Community and Public	• Community participation and contribution	• Public welfare activities • Volunteer services

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Material Topics Analysis

To ensure the core demands of stakeholders are deeply integrated with the Company's long-term value creation, the Company systematically conducts a double materiality assessment. Based on an in-depth analysis of value chain activities and business relationships, the Company identifies the impact materiality of business operations on the environment and society, as well as the financial materiality of ESG factors on corporate operating performance and financial stability.

Material Topics Analysis Process

Communication with Stakeholders

The Company maintains regular communication with stakeholders including government regulatory authorities, customers, employees, suppliers and partners. It records concerned topics and specific contents raised by different stakeholder and responds to their various demands.

Topic Identification

Based on the Company's business model and sustainability context, in light of national policy guidelines and industry development trends, as well as the concerns of all stakeholders (including the interests of minority groups), and with comprehensive reference to international relevant standards and disclosure frameworks, peer performance and national policies, together with expert consultation, the Company has identified material topics covering the three major dimensions of environmental, social and corporate governance.

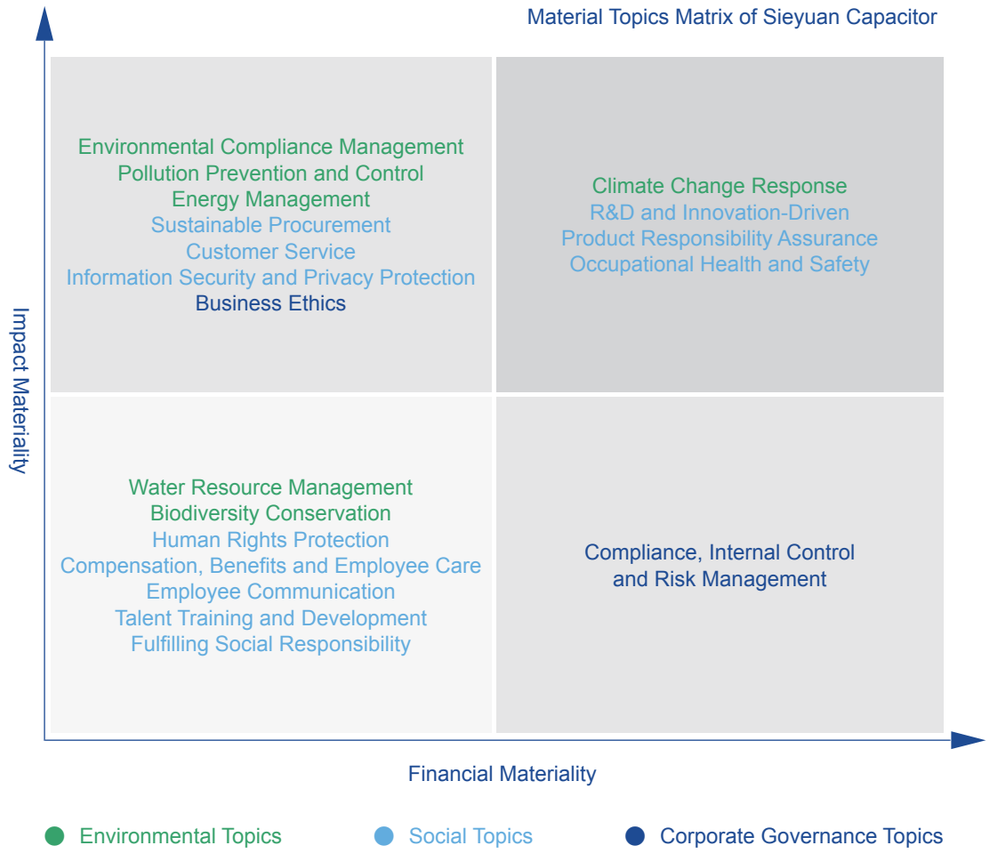
Conduct Materiality Assessment and Prioritization

Adopting the "double materiality" assessment approach, Sieyuan Capacitor evaluates topic's impacts on environmental and social, as well as their implications for the Company's financial performance. Combined with questionnaire surveys, internal interviews, expert assessments and data modelling, comprehensive prioritization results are formulated, and a materiality matrix is established accordingly.

Topic Confirmation and Report Disclosure

Assessment results are reviewed by the Sieyuan Capacitor subcommittee of Sustainability Committee, then submitted to the Company's General Manager and the Sieyuan Electric Sustainability Committee for review. Ultimately confirmed material topics are fully disclosed in the ESG Report, and aligned with annual work plans and sustainability targets of all business departments. This establishes a closed-loop management mechanism covering topic identification and implementation.

Material Topics Matrix of Sieyuan Capacitor



Quality-Driven Development, Innovation-Empowered Growth

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



17 R&D and Innovation
18 Sustainable Supply Chain
18 Product Quality and Safety
20 High-Quality Customer Service
21 Information Security and Privacy Protection

R&D and Innovation

R&D and innovation serve as the critical foundation for Sieyuan Capacitor to achieve high-quality development in the global market. Guided by customer demands and industrial technological evolution, the Company deepens global R&D collaboration and cross-departmental cooperation mechanisms, promotes dynamic alignment between R&D resources and business requirements, and consistently improves integrated capabilities in forward-looking research of key technologies, product commercialization and global delivery.

Science and Innovation Platform Development

The Company regards the science and innovation platform development as vital support to enhance independent innovation capacity and consolidate its technological foundation. Through continuous R&D investment and systematic development, it has obtained multiple authoritative certifications, including recognition as a Specialized, Characteristic, Innovative and Novel SMEs, a Specialized, Characteristic, Innovative and Novel “Little Giant” Enterprise, Shanghai Municipal Technology Center, and Advanced-level Smart Factory, fully demonstrating its leading position and technological strengths in the industry.
Meanwhile, the Company’s laboratory has obtained CNAS national accreditation, enabling it to conduct testing and calibration services in accordance with international standards. A number of R&D achievements have won numerous awards, providing solid experimental platforms and technical verification support for product iteration and quality assurance. By continuously optimizing its science and innovation platform system, the Company strengthens full-chain innovation capabilities from basic research to engineering transformation, injecting strong momentum into high-quality development.

National-level	Specialized, Characteristic, Innovative and Novel “Little Giant” Enterprise	Ministry of Industry and Information Technology
Provincial-level	Specialized, Characteristic, Innovative and Novel SMEs	General Office of the People’s Government of Shanghai Municipality
	Enterprise Technology Center	Shanghai Municipal Commission of Economy and Information Technology
	Advanced-level Smart Factory	Shanghai Municipal Commission of Economy and Information Technology



R&D Team Development

Centered on product strategy and technological layout, the Company has established an R&D team system with clear division of responsibilities and efficient collaboration. It currently has two product R&D teams which are framework-type PDT team and the UHV & Integrated PDT team. Each team focuses on the development and iteration of different product categories, ensuring dedicated professional resources for in-depth progress in every technical track.

Through professional team building and scientific division of labor and cooperation, the Company continuously improves its technical response speed and product innovation capability, providing solid R&D talent support for consolidating its leading position in the industry and expanding high-value-added markets.

Intellectual Property Rights

The Company has established an intellectual property management mechanism centred on patent information collection, analysis and application, offering systematic support for technological innovation. In 2025, it was awarded the title of “National Intellectual Property Demonstration Enterprise”, which reflects its comprehensive capabilities in intellectual property creation, management, utilization and protection. The Company continuously optimizes patent application and approval procedures to improve patent quality and efficiency. Meanwhile, it strengthens patent rights protection and infringement monitoring capabilities to unlock the value of patent assets.

In key technical fields, the Company’s project entitled “Key Technologies and Application for National Production of AC Oil-Immersed Capacitor and Their Polypropylene Materials” won the Science and Technology Progress Award from China Southern Power Grid Research Institute Co., Ltd. This achievement demonstrates its technological breakthroughs in the independent control of core materials and the domestic production of high-end capacitor.

From 2022 to 2025, the Company filed a total of 13 patents, including 12 invention patents, and completed 7 PCT international patent applications. By building a thematic database for early-warning platforms and conducting regular monitoring, the Company has achieved full coverage of core technical fields and product lines. This effectively expands its patent layout scope, improves overall patent quality, and lays a solid intellectual property foundation for continuous innovation and global competition.

From 2022 to 2025

the Company filed a total of **13** patents

including **12** invention patents

and completed **7** PCT international patent applications

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Industry-University-Research Cooperation

The Company continues to deepen collaborative efforts with universities, research institutions and industrial chain partners. It conducts joint R&D focusing on tackling key technical challenges, upgrading and iterating products, and expanding application scenarios, so as to improve the pertinence of innovation activities and the efficiency of achievement transformation. By integrating external scientific research resources with internal industrialization capabilities, the Company strengthens its capacities in cutting-edge technology research, engineering verification and achievement transformation, enabling technological innovation to better support product upgrading and market expansion.

In 2025, the Company collaborated with Tongji University to successfully carry out seismic tests on prototypes of 110 kV high-voltage shunt capacitor. This further verified the reliability and stability of products under extreme operating conditions, providing solid technical support for the application of high-end capacitor in critical power grid scenarios.

Standard Leadership

The Company actively participates in the formulation and revision of national and industrial standards, transforming technical accumulation and innovation achievements into standard-leading advantages. By leading or participating in the preparation of standards related to capacitor products, testing methods and green manufacturing, it promotes the coordination between industrial technical specifications and technological upgrading.

From 2022 to 2025

the Company took part in formulating **3** industrial standards

1 association standard

4 enterprise standards

obtained certification for **1** compact-type product

Sustainable Supply Chain

Sieyuan Capacitor deeply recognizes that a sustainable supply chain serves as a cornerstone for its stable operation and long-term development. Based on its long-term development strategy, the Company fully integrates ESG factors into the full-life-cycle management of supplier access, evaluation, assessment and continuous improvement. It continuously standardizes supply chain management standard and strengthens responsibility coordination across the upstream and downstream. The Company strives to build a modern supply chain system that is responsible, resilient, green and low-carbon. It actively guides partners to implement sustainable development requirements, consolidates industrial chain synergy, and collaborates with all stakeholders to build a high-quality industrial ecosystem that is safe, stable, eco-friendly, efficient and mutually beneficial.

Using tools such as the *Comprehensive Supplier Selection Evaluation Form* and the *Supplier Social Responsibility Audit Form*, the Company comprehensively investigates and rigorously verifies suppliers' operational status and sustainability performance from multiple dimensions including environmental compliance, labor rights and interests, business ethics, and occupational health and safety. Evaluation results and potential risk points are fully recorded and specifically noted in the *Procurement Evaluation Report*, enabling proactive management and control, and dynamic tracking of suppliers' ESG risks, and continuously enhancing full-chain sustainable management capabilities.

Meanwhile, the Company embeds ESG elements such as work safety, environmental protection and information confidentiality into general procurement clauses. It explicitly requires suppliers to strictly abide by laws, regulations and management norms regarding safety compliance, green operation and information security confidentiality throughout their full business process.

Product Quality and Safety

Quality Management System

In accordance with ISO 9001: 2015 *Requirements of Quality Management System*, the Company has established and continuously improved its quality management system. It systematically standardizes quality policies, objectives, division of responsibilities and process control requirements through the *Quality Manual*. Meanwhile, we defines quality responsibilities from the General Manager to all functional departments (including the General Administration Department, Process and Quality Management Department, Technology Center, Supply Chain Center, etc.), and clearly delineates primary and participatory responsibilities through responsibility assignment form. Organizations such as the Chief Engineer's Office and Project Management Office have been set up to strengthen technical planning and project coordination, ensuring that the quality management system covers the entire process including design and development, procurement, production, inspection, delivery and after-sales service. During the reporting period, the Company obtained the ISO 9001 Quality Management System certification.


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Certificate of Registration
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ISO 9001 Quality Management System Certification Certificate

Product Quality Risk Management

The Company has established a systematic quality risk management mechanism, integrating risk-based thinking throughout the entire quality management system. In compliance with ISO 9001: 2015 standard requirements, it identifies and assesses internal and external environments, stakeholder needs and process risks, and develops corresponding response measures to ensure the quality system delivers intended outcomes and continuously enhances customer satisfaction.

The Company implements strict process monitoring and capability verification for key processes (element winding) and special processes (welding, painting, vacuum impregnation). Tools such as Process Failure Mode and Effects Analysis (PFMEA), Control Plans and Statistical Process Control (SPC) are adopted to prevent quality deviations. To mitigate risks of non-conformities in raw materials, semi-finished and finished products, the Company has formulated the *Non-conformity Control Procedure*, specifying requirements for marking, segregation, review and disposal of non-conforming products to avoid unintended use or delivery. Non-conforming products are classified as internal incidents or external quality spill-overs according to severity, and managed visually via colour-coding: red (non-conformity), yellow (pending/concession), black (scrapping), and blue (research), ensuring clear status identification and easy traceability.

In 2025

the First-Pass Yield (FPY) of manufacturing processes reached **99.358** %

In addition, the Company launches the 8D (Eight Discipline Problem Solving Method) improvement process in accordance with the *Guidelines for Handling Major Quality Abnormalities*. Cross-departmental 8D teams are formed, led by authorized team leaders, to systematically conduct problem description, provisional measures, root cause analysis, formulation and verification of permanent measures, and recurrence prevention. The Chief Engineer, Deputy General Manager in charge and General Manager are respectively responsible for measure approval, resource guarantee and case closure authorization, ensuring rapid, thorough and effective closed-loop resolution of major quality issues. Meanwhile, performance indicators such as the timely and effective closure rate of corrective and preventive measures and the timely closure rate of major quality problems are established for regular monitoring and continuous improvement of quality risk management.

Through full-process and multi-level quality risk identification and control, the Company continuously reduces non-conformity risks of products and services, safeguards customer interests, and builds a solid quality defense for high-quality development.

Quality Culture Development

Guided by its quality policy, the Company deeply integrates the quality philosophy of “Pioneering and innovating to build a brand-leading enterprise in the capacitor industry; pursuing continuous improvement with customer satisfaction as the ultimate goal” into daily operation and management. Through multi-level and diversified quality-cultural activities, it ensures all staff internalizing quality awareness into their minds and externalizing it into actions.

To foster a cultural atmosphere where “everyone cares about quality and everyone participates in improvement”, the Company regularly organizes quality-themed cartoon contests, encouraging employees to interpret quality principles, identify potential quality risks and convey improvement concepts through vivid illustrations. Meanwhile, the Company regularly organizes quality-related knowledge contests covering quality policies, system standards, process control and analysis of typical cases. By promoting learning through competitions and practical application through learning, it ensures quality knowledge is fully internalized by employees and effectively enhances their ability to conduct self-inspection and self-correction at work.



Scene of Quality-themed Cartoon Selection



Quality Knowledge Quiz Competition

High-Quality Customer Service

Customer Communication

Guided by customer needs, the Company continuously enhances its capabilities in customer communication, issue response and collaborative support across pre-sales, in-sales and after-sales stages. Customer satisfaction is taken as a key basis for product optimization and management improvement. To address core customer concerns regarding product application, issue feedback and service assurance, the Company continuously improves internal coordination mechanisms, actively complies with the Group's customer service management requirements, ensures timely response, effective feedback and continuous improvement to customer demands, and enhances customer experience and partnership stickiness.

In daily communication, the Company maintains ongoing interaction and communication on product technical requirements, application scenarios, problem feedback and improvement suggestions to promptly identify changing needs and key concerns. For customer reported issues, internal coordination and cross-departmental collaboration enable rapid response, cause analysis and handling feedback, effectively improving the timeliness and efficiency of issue resolution.

Customer Satisfaction Management

The Company continuously focuses on customers' evaluations of product quality, issue resolution and collaborative support. Taking customer feedback as a vital basis for improvement, it consistently optimizes internal management and collaborative response mechanisms. Through multiple approaches including customer opinion collection, problem review, complaint handling and satisfaction assessment, the Company systematically identifies service deficiencies, ensures effective implementation of improvement measures, and achieves steady growth in customer satisfaction.

The Company regards customer feedback and improvement suggestions as key inputs for upgrading products and management capabilities. It continuously strengthens the sorting, analysis and application of customer feedback information, so that customer voices can be better integrated into product optimization, quality improvement and internal collaboration enhancement.

Customer Service Management System

Pre-sales Stage

- The Company takes the initiative to communicate with customers to fully understand technical requirements, delivery schedules, delivery locations and on-site conditions. In combination with project implementation plans, it conducts delivery preparation and risk assessment to ensure smooth project execution and on-time product delivery.

In-sales Stage

- For major projects, irregular on-site visits and communications are arranged to promptly respond to on-site needs and issues;
- Dedicated support channels are established to monitor the entire process of production, inspection and shipment. This strengthens delivery process management, reduces delivery risks, and enhances overall performance stability.

After-sales Stage

- Formulates service standards and specifications, emergency response procedures, and handling & feedback mechanisms;
- Operates a 24-hour service hotline to receive customer inquiries, complaints and feedback, and maintains complaint ledgers to ensure issue tracking and resolution;
- Implement a post-sale follow-up plan to monitor product deployment and usage, and promptly resolve any issues customers encounter during product use.

Customer Service and Suggestion Feedback Channels

Reception Tel: 021-61610502

Domestic Customer Hotline: 021-61610977 / 021-61610440

Overseas Customer Hotline: 021-61610149

After-sales Service Hotline: 4008763399

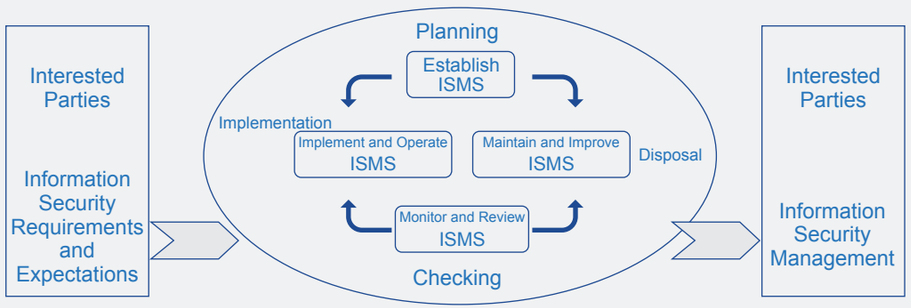
Email: webmaster@sieyuan.com

Information Security and Privacy Protection

Information Security Management

The Company strictly complies with laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. In accordance with the Group's unified information security management requirements, it has established corresponding management mechanisms covering information systems, business data, terminal devices and daily application scenarios, ensuring information security responsibilities are implemented throughout all links of business operations and routine management.

The Company integrates information security requirements into business processes, job responsibilities and daily operations. It strengthens standardized management of key scenarios such as account permissions, terminal usage, document sharing, external collaboration and system access, continuously enhances employees' awareness of information security and risk prevention capabilities, and consolidates the foundation of information security management. During the reporting period, no information security incidents or privacy breaches occurred within the Company, and the information security management system operated effectively.



Information Security Management System Model

Information Security Risk Prevention

Combining its actual production, operation and informatization applications, the Company continuously enhances capabilities in identifying, monitoring and preventing information security risks. It places focused attention on key risk scenarios including network intrusion, data leakage, system anomalies, terminal risks and unauthorized data exfiltration. Leveraging a unified information security management mechanism, the Company conducts systematic risk assessments covering assets, threats, vulnerabilities and existing control measures. Targeted prevention and rectification measures are implemented based on risk levels to form a closed-loop management for risk resolution.

The Company continues to enhance system and cybersecurity infrastructure by deploying security tools such as intrusion detection systems, intrusion prevention systems and web application firewalls to improve system security protection capabilities. Meanwhile, it tightens routine controls over sensitive data encryption, access right management and business continuity assurance, effectively mitigating risks of data leakage, unauthorized access and business disruption. **In 2025, the coverage rates of sensitive data encryption and access control mechanisms both reached 100%.**

The Company attaches great importance to business continuity assurance, focusing on the stable operation and recovery capacity of critical systems, core data and key business scenarios under abnormal conditions. It strives to reduce the impacts of information system risks on production organization, internal collaboration and customer services, and continuously improves the resilience and stability of information security management.

Privacy and Information Protection

The Company strictly adheres to the principles of legality and compliance, necessity-minimization and authorized use, and standardizes the collection, processing, sharing and storage of relevant information. For management activities involving customer data, employees' personal information and sensitive information of partners, the Company strictly follows internal policies to implement corresponding procedures to prevent unauthorized acquisition, use or leakage of information beyond permitted scopes.

In the process of data sharing and external collaboration, the Company rigorously enforces approval and access management requirements, clarifies the purpose, scope and duration of shared data, and prevents risks of information abuse and unauthorized dissemination through contractual constraints, access management and process controls. Where the purpose, scope or sharing recipients of information processing change, the Company performs required notification and authorization procedures to ensure information processing activities remain standardized and controllable at all times. **During the reporting period, the Company experienced no information security incidents or privacy infringement incidents.**

Key Contents of Information Security and Privacy Protection

Regulatory Compliance

Comply with relevant laws and regulations on cybersecurity, data security, personal information protection

System Development

Conduct governance in accordance with Sieyuan Electric's information security management manual, together with policies on risk assessment, business continuity and sensitive data management

Risk Prevention and Control

Conduct risk identification and protection for scenarios involving network, system, terminal, data, and external document transmission

Access Control

Strengthen management of access rights, account management and encryption controls for sensitive data

Privacy Protection

The processing of customer, employee, and partner information adheres to the principles of legality, compliance, minimal necessity, and authorized use

Business Continuity

Enhance the sustained operation and recovery capability of critical systems and core businesses under abnormal conditions

Information Security Culture Development

The Company systematically promotes the development of cybersecurity culture. Through diversified approaches including popular science promotion, training course development, video-based learning and online exams, it continuously improves employees' cybersecurity awareness and professional skills. Centering on job risks and business scenarios, the Company provides hierarchical and categorized training focusing on topics such as industrial control system (ICS) security, account permission and password management, email security and anti-phishing, data hierarchical and categorized, and sensitive data handling, remote work security, as well as terminal and removable media management, ensuring continuous updating and verifiable mastery of security knowledge. **During the reporting period, the coverage rate of the Company's information security training reached 100%.**

The Company integrates information security requirements into institutional procedures, operational specifications and checklists for key positions. Combined with regular publicity and assessment mechanisms, it encourages employees to develop sustainable security habits in daily work, effectively mitigating security incident risks caused by human error. Through regular cultural engagement and capacity building, the Company continuously consolidates the foundation of cybersecurity management and fosters a sound corporate culture where "everyone understands security and everything prioritize security".

Low-Carbon Leadership, Green Future

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



23 Environmental Compliance Management
23 Pollution and Waste Treatment
25 Resource Management
27 Climate Change Response
29 Green Products
29 Biodiversity Conservation

Environmental Compliance Management

Environmental Management System

Sieyuan Capacitor is committed to green-oriented development and strives to build a benchmark enterprise featuring “innovative performance, intensive resource utilization, low-carbon environmental practices and social responsibility fulfillment”. The Company strictly complies with national laws and regulations on ecological and environmental protection, fully implements core requirements of the *Environmental Protection Law of the People’s Republic of China, Water Pollution Prevention and Control Law of the People’s Republic of China, Air Pollution Prevention and Control Law of the People’s Republic of China, Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and *Environmental Impact Assessment Law of the People’s Republic of China*. It has established and continuously improved its environmental management system in accordance with the ISO 14001 standard.

The Company has built an environmental management organizational structure with clear responsibilities, well-defined division of labor and efficient collaboration. It formulates annual EHS strategies and action plans, strengthens whole-process supervision, management and control, and drives continuous improvement of EHS performance. Meanwhile, the Company conducts regular internal audits of the environmental management system each year to verify its compliance, suitability and effectiveness, and identifies and rectifies weak links in environmental management in a timely manner. During the reporting period, the Company obtained certification and the corresponding certificate for the ISO 14001 Environmental Management System.


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Certificate of Registration

环境管理体系 - ISO 14001:2015

Shanghai Sieyuan Power Capacitor Co., Ltd.
No. 1188, Shenfu Road
Minhang District
Shanghai
201108
China

EMS 660778

The design and manufacture of power capacitors and installations.

Richard Lee, Senior Vice President, APAC Assurance

2016-11-01
2025-11-01
2025-08-22
2028-08-31

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ISO 14001 Environmental Management System Certification Certificate

Environmental Risk Management and Control

The Company strictly abides by the *Environmental Impact Assessment Law of the People’s Republic of China*. It conducts systematic analysis, prediction and assessment of potential environmental impacts arising from the implementation of plans and construction projects, and comprehensively evaluates their compliance with industrial policies and relevant planning requirements. Through environmental impact assessment, the Company formulates corresponding countermeasures to prevent or mitigate adverse environmental impacts, ensuring pollutant discharge meets relevant standards upon project completion and achieving total pollutant balance within the region.

The Company carries out systematic environmental risk assessment. Based on factors including environmental risk substances, production processes, risk control levels and surrounding environmental receptors, it conducts comprehensive evaluation and determines the environmental risk level as medium. On this basis, the Company identifies potential scenarios of sudden environmental incidents, including secondary environmental pollution caused by work safety accidents, leakage of toxic and hazardous substances, abnormal operation of pollution treatment facilities, and malfunction of environmental risk prevention and control facilities, and establishes corresponding prevention and early-warning mechanisms.

Meanwhile, focusing on whole-process environmental risk management, the Company has built a multi-level prevention and control system featuring “source control–in-process interception–end-of-pipe collection”. It implements engineering measures such as anti-seepage treatment in key areas, collection and interception of accidental wastewater, and management and control of rainwater outlets to ensure effective control of pollutants under accidental conditions. The Company strengthens daily inspection and maintenance of environmental risk facilities to keep them in reliable standby status, and implements strict operational monitoring of waste gas and wastewater treatment facilities to prevent excessive emissions.

The Company continuously improves its environmental risk management system, conducts regular hazard identification and treatment, raises environmental risk awareness among all employees, and enhances capabilities in preventing, early-warning and responding to sudden environmental incidents. It effectively safeguards regional environmental safety and contributes to sustainable development.

Environmental Culture Development

The Company regards enhancing employees’ environmental awareness as a key component of environmental management. In response to environmental management requirements, it systematically delivers environmental management training covering environmental laws and regulations, internal environmental management systems, basic environmental protection knowledge, and pollution prevention technologies. This ensures staff in relevant positions possess appropriate professional competence and operational proficiency, providing talent support for the effective operation of the environmental management system.

The Company widely publicizes the importance of environmental protection through multiple channels, encouraging employees to actively practice green actions in daily work and life, so that environmental protection concepts are internalized in minds and externalized in actions. It takes the improvement of employees’ environmental literacy as a core task of environmental management, continuously consolidating the foundation of environmental governance through systematic and regular training activities, and promoting the deep integration of green concepts into corporate culture.

Pollution and Waste Treatment

The Company continuously strengthens the management of pollutants and waste generated in production and operation processes, establishing and improving a management system for classified control and standardized disposal. Differentiated management and control measures and clear disposal procedures are formulated for various environmental impact factors such as wastewater, noise and general waste, to ensure all pollutants are discharged in compliance with standards and waste and scrap materials are disposed of legally, effectively reducing environmental impacts at the end-of-pipe stage.

Wastewater Treatment

Adhering to the principles of standardization and normalization, the Company systematically carries out wastewater treatment. For multiple types of water pollution sources including industrial wastewater, domestic sewage, cleaning wastewater and initial rainwater, the Company has built a comprehensive wastewater treatment system. By adopting advanced treatment processes and refined management measures, it ensures stable and standard-compliant discharge of all types of wastewater.

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To strengthen whole-process management and control, the Company has established a dual wastewater management and control mechanism of “self-inspection + external inspection”. Combining regular internal inspections with professional third-party inspections, it promptly identifies operational defects of wastewater treatment facilities and risks of abnormal water quality. Supported by a traceable data chain for wastewater management, the Company continuously improves treatment efficiency and environmental compliance performance.

Waste Gas Treatment

No organized waste gas is generated throughout the Company’s production processes. Unorganized waste gas within the factory mainly consists of a small amount of odor emitted during the operation of domestic wastewater treatment facilities. To effectively control odor emissions, the Company adopts comprehensive measures including rational layout of wastewater treatment facilities, improved tank sealing performance, enhanced green isolation belts, and regular sludge cleaning and transportation, so as to minimize unorganized odor dispersion.

In strict accordance with relevant requirements, the Company formulates a *Self-Monitoring Plan* and regularly entrusts qualified third-party inspection institutions to conduct monitoring on unorganized emissions of air pollutants, ensuring emissions remain stably compliant with standards, traceable and verifiable. In October 2025, the Company put a VOC online monitoring system into operation, which conducts 24-hour continuous monitoring of volatile organic compound concentrations in emission workshops with real-time data transmission. Immediate response and disposal can be implemented in case of abnormalities, further improving the refined and intelligent level of waste gas management.

Noise Treatment

The Company’s noise sources mainly include air compressors, vacuum pumps, fans and other equipment. Based on the characteristics of different noise sources, the Company implements a comprehensive control strategy covering source-level and in-process management: low-noise equipment is prioritized during procurement stage, and routine maintenance is strengthened to keep equipment in good operating condition so as to reduce noise generation at the source. For individual high-noise equipment in workshops, comprehensive treatment measures including sound insulation, vibration reduction and noise elimination are adopted. Meanwhile, by enhancing the greenery within the factory premises and establishing shaded noise-reduction forest belts, the noise attenuation capacity is further improved.

The Company regularly entrusts qualified third-party institutions to conduct factory boundary noise monitoring, ensuring factory noise levels consistently meet national standards and regulatory requirements. In November 2025, the Company carried out a specialized environmental upgrading project for the air compressor room. To address problems such as poor sound insulation of original machine room doors and noise impacts on the surrounding environment, ordinary doors were entirely replaced with professional sound-insulating doors. This effectively curbs noise leakage from operating air compressors, improves on-site working conditions, and elevates the overall factory noise governance level as well as the image of safe and civilized production.



Sound-Insulating Door Photo

Waste Treatment

The Company’s waste includes general industrial solid waste, hazardous waste and domestic waste. In light of the different characteristics of each waste type, the Company has established and improved a whole-process management system featuring classified collection, zoned storage and standardized transportation, ensuring all links of waste management strictly comply with local and national regulatory requirements.

General Industrial Solid Waste

Recyclables such as scrap metal and waste cartons are sorted, recovered and recycled for resource utilization, and disposed of by qualified recycling entities.

Hazardous Waste

Dedicated storage areas are set up in accordance with the *Standards for Pollution Control on Hazardous Waste Storage*, with anti-seepage, leakage-proof and rain-proof measures implemented. Hazardous waste is safely disposed of by entities holding hazardous waste business licenses, and the waybill system is strictly enforced to realize full-process traceability of hazardous waste.

Domestic Waste

Collected and transported uniformly by environmental sanitation authorities to ensure daily removal.

Adhering to the principles of “reduction, reuse and harmless disposal”, the Company tackles waste at the source. It cuts waste generation by optimizing production processes, promoting material conservation and encouraging the reuse of scrap and waste materials. For generated waste, the Company maximizes resource recovery and comprehensive utilization to mitigate the environmental impacts of final disposal. Supported by a systematic waste management framework, the Company steadily improves waste treatment efficiency and environmental performance, contributing to the development of a circular economy.

Resource Management

Water Resource Management

The Company strictly complies with laws and regulations including the *Water Law of the People’s Republic of China*, actively responds to national water-saving initiatives, and commits to building a water-saving enterprise. It has formulated water conservation management systems and set up a dedicated water resource management team to conduct comprehensive assessment of water consumption for production and office use, tap water-saving potential, and optimize water resource management in operational processes.

Meanwhile, the Company regularly conducts statistical analysis of water-use data, identifies key water-saving links and carries out targeted improvements to continuously enhance water use efficiency. In addition,

through posting water-saving reminders, organizing specialized training and publicity initiatives, it fosters a water-saving awareness among all employees and cultivates a sound atmosphere for water conservation.

Energy Management

Energy Management System

Sieyuan Capacitor adheres to the energy policy of “Compliance with Laws and Regulations, Cleaner Production, Energy Conservation and Efficiency Enhancement, Continuous Improvement”, and integrates energy-use management requirements into the whole process of production organization and operational control. Guided by the *Energy Management System Manual*, the Company has formulated core institutional documents including the *Control Procedure for Objectives and Energy Indicators* and the *Control Procedure for Energy Review*, establishing a systematic and standardized energy management system to ensure the implementation of energy management and control measures. By the end of the reporting period, the Company maintained the validity of its ISO 50001: 2018 Energy Management System Certification.



ISO 50001: 2018 Energy Management System Certification Certificate

The Company conducts regular internal audits of the energy management system. In accordance with standards such as *Requirements and Usage Guidance of Energy Management System*, it comprehensively verifies the compliance and implementation effectiveness of system development and daily operation. During audit processes, the Company benchmarks against laws and regulations, industrial norms and stakeholder demands to systematically identify potential problems and weak links throughout the entire energy management process. For issues identified in audit, the Company promptly implements rectification measures and improves preventive mechanisms to continuously correct management deviations, ensuring stable and efficient operation of the energy management system and steadily enhancing intensive energy management capacity. For identified risk points, the Company develops targeted prevention, control and mitigation plans. Seizing development opportunities such as energy conservation and carbon reduction, it implements tailored measures including optimization and renovation, technological upgrading and institutional improvement to steadily boost energy utilization efficiency.

Energy Review

Sieyuan Capacitor completed its 2025 energy review in compliance with standards including *Requirements and Usage Guidance of Energy Management System* and *Energy Management System Implementation Guidance*. It systematically analyzed electricity and natural gas consumption, as well as energy consumption of major energy-using equipment and processes energy consumption. Addressing risks such as metering inadequacies and production load fluctuations, the Company formulated rectification, management and control measures. It rolled out improvement plans focusing on frequency-conversion transformation, air-conditioning system optimization, time-segmented energy consumption and process energy conservation, continuously improved the energy metering system, enhanced energy utilization efficiency and refined management, and steadily advanced green and low-carbon operation.

Energy Conservation and Consumption Reduction Projects

The Company fully explores energy conservation potential. By optimizing energy-consuming processes and upgrading energy conservation equipment, it promotes the implementation of various energy conservation and consumption reduction transformation projects, effectively improving energy utilization efficiency and rationally cutting energy and resource consumption in production and operation. Traditional fixed-frequency air compressors have been replaced with variable-frequency ones, which dynamically adjust operating speed and output power according to actual gas-consumption load. This effectively avoids energy waste and invalid energy consumption caused by frequent switching between no-load and full-load modes of fixed-frequency equipment.



Variable-Frequency Air Compressor

The Company has retrofitted its large-scale boilers into 4 steam generators. The steam generators can be turned on or off flexibly in response to production requirements to achieve the most economical operation and improve energy utilization efficiency. Traditional boilers generally have a thermal efficiency of 78%-90%, whereas steam generators can reach nearly 100% thermal efficiency under specific operating conditions. They effectively reduce energy losses during no-load and low-load operation, further enhancing the economic performance of the system.



Steam Generator

In addition, the Company phased out diesel-powered forklifts and replaced them with lithium battery-powered ones. Meanwhile, traditional gas-fueled soldering irons were substituted with high-frequency electric soldering irons. By upgrading equipment, the Company reduces fossil energy consumption and further achieves energy conservation and emission reduction.

Optimization of Energy Structure

The Company continuously optimizes its energy consumption structure. Solar power is fully adopted for outdoor street lighting in the factory area, replacing conventional electricity consumption with renewable natural resources. Meanwhile, the Company proactively increases the proportion of green electricity procurement, gradually raises the share of clean energy utilization, and reduces reliance on fossil energy.

In 2025, photovoltaic power accounted for 10% of the Company's electricity consumption, with the overall green electricity coverage reached 90%. The self-built photovoltaic system generated 453.37 MWh of electricity throughout the year. Empowering production and operation with clean energy, the Company further advances its green and low-carbon transition.



Green Electricity Certificate Transaction Vouchers

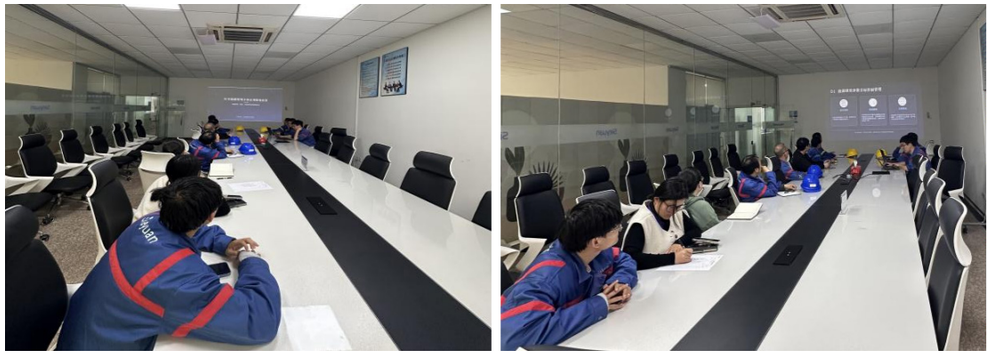
Energy Management Training

The Company regards energy management training as a key measure to consolidate the foundation of energy conservation management and enhance professional capabilities in energy management and control. During the reporting period, the Company organized specialized training activities including "Training on Management of Major Energy Consumption Equipment", "Publicity of Energy Management System", and "Publicity of Rectification Measures for Non-conformities in Energy Management". The training focused on core contents such as standardized management and control of major energy consumption equipment, energy conservation operation standards, prevention and control of energy-use risks, and requirements of the energy management system. Through systematic knowledge lectures, institutional promotion and practical guidance, the Company strengthens all-staff awareness of energy conservation, improves the practical capabilities of front-line employees in operation, maintenance, energy conservation and consumption reduction of energy consumption equipment, and promotes full implementation of energy management system requirements.

In 2025

the Company conducted a total of

3 energy management-related training sessions throughout the year



Energy Management Training

Material Management

Sieyuan Capacitor deepens the full-life-cycle management of materials, comprehensively optimizes resource allocation across the whole process including procurement and requisition, production management and control, recycling and reuse, fully practices the circular economy philosophy of reduction, reuse and resource recovery, and strictly controls material loss and waste.

The Company has signed agreements with third-party institutions for the recycling and disposal of copper scrap and insulating oil, to conduct standardized recovery and resourceful treatment of scraps and waste generated during production and promote resource recycling. A new spraying process is adopted, featuring fully automatic operation with air-mixed spraying and electrostatic spraying. The paint and curing agent are proportioned and supplied automatically, effectively reducing paint consumption.

Climate Change Response

Governance

Climate change has exerted far-reaching impacts on human living environments and global economic and social development, while continuously reshaping enterprises' external operating conditions and internal business development models. Under the overall planning and unified management of Sieyuan Electric Group, Sieyuan Capacitor has proactively set up a subcommittee of the Sustainability Committee. It formulates specialized plans, supporting management systems and performance assessment indicators for climate change response, steadily advances various energy conservation and emission reduction practices, and further deepens green and low-carbon development.

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Strategies

The Company elevates climate change response from a compliance requirement to a strategic development priority, treating it as a key measure to enhance operational resilience, drive green upgrading of products, optimize cost management and control frameworks, boost core market competitiveness and deliver long-term value creation.

Systematically referencing standards and norms including the TCFD Recommendations for Climate-Related Financial Disclosures and the *Self-Regulatory Guidance No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Report (Revised 2026)*, the Company identifies and assesses climate-related risks and opportunities, providing scientific basis and decision-making support for strategic planning and optimized resource allocation. Meanwhile, in compliance with *International Financial Reporting Standards Sustainability Disclosure Standards 2–Climate-related Disclosures* (IFRS S2), the Company adopts scenario analysis to identify and analyze challenges and opportunities posed by climate factors, and defines directions and strategies for addressing climate change.

Type	Category	Description	Potential Financial Impact	Impact Period	Impact Level	Response Measures
Physical Risks	Acute Physical Risks	● Extreme weather such as typhoons and heavy rainstorms may cause water intrusion into workshops and equipment damage, resulting in production interruption, damp raw materials and delayed product delivery.	Increased maintenance costs	Short term	Medium	● Strengthen meteorological early warning; formulate an *Emergency Plan for Typhoon and Flood Prevention*; regularly inspect workshop drainage systems and roof waterproofing; elevate key equipment or install water-retaining facilities; establish emergency power generation to safeguard critical production.
	Chronic Physical Risks	● Rising temperatures may increase surrounding temperature in workshops, affecting the stability of the impregnation process, heat dissipation efficiency of equipment and employees' operational comfort, and raising air-conditioning energy consumption.	Increased energy consumption costs	Long term	Low	● Gradually upgrade workshop ventilation and cooling systems; modify key equipment (e.g., vacuum impregnators) for high-temperature resistance; optimize production scheduling to avoid high-temperature periods.
Transition Risks	Policy/Legal Risks	● Stringent environmental requirements on VOCs emissions and hazardous waste management issued by national and Shanghai municipal authorities may increase costs for compliance monitoring, treatment facility upgrading and pollutant discharge. Non-compliant information disclosure may result in penalties.	Increased compliance costs	Short term	Medium	● Dynamically track regulatory updates from ecological and environmental authorities; proactively connect to online carbon emission monitoring; improve environmental information disclosure; conduct self-inspections on environmental compliance.
	Market Risks	● Failure to timely adopt clean technologies such as low-VOCs coatings and energy conservation heat treatment equipment may weaken the green competitiveness of products, leading to lost orders or market access restrictions.	Decreased market share	Medium to long term	High	● Launch specialized R&D programs for green technologies; develop new insulating oils and low energy consumption winding processes through industry-university-research collaboration; continuously invest in energy conservation transformations (including motor frequency conversion, LED lighting and waste heat recovery).
	Technology Risks	● Downstream customers impose higher requirements on product carbon footprint and environmental performance. Failure to provide carbon labels or Environmental Product Declarations (EPD) may weaken bidding advantages.	Decreased operating revenue	Medium to long term	Medium	● Conduct Life-Cycle Assessment (LCA) for capacitor products; carry out carbon footprint accounting and certification; develop eco-friendly capacitor (e.g., those using degradable synthetic ester insulating oil).
	Reputational Risks	● Exposure of negative incidents such as environmental violations and excessive carbon emissions may damage corporate brand image and investor confidence, and downgrade ESG ratings.	Increased financing costs	Short term	Low	● Strengthen ESG information disclosure, release sustainability reports regularly, actively participate in industry-wide green initiatives, and proactively respond to stakeholder concerns.
Opportunities	Resource Efficiency	● Energy consumption per unit product is reduced through intelligent joint control of air compressors, improved motor energy efficiency, and waste heat recovery for workshop heating in winter.	Decreased operating costs	Medium to long term	High	● Implement annual energy conservation technological renovation plans, deploy an Energy Management System (EMS), and conduct real-time monitoring and optimization of major energy consumption equipment (air compressors, fans and ovens).
	Energy Structure Optimization	● Distributed photovoltaics are built on factory rooftops, and additional green electricity is purchased to increase the proportion of clean energy use, lowering electricity costs and carbon emissions.	Decreased operating costs and carbon emission costs	Medium to long term	Medium	● Promote grid connection of photovoltaic projects, participate in the green electricity trading market, and gradually raise the share of green electricity.
	Products and Services	● Growing customer demand for low-carbon and long-service-life capacitor enables the Company to launch green capacitor products featuring low loss, low noise and recyclability to seize market opportunities.	Increased operating revenue and gross profit margin	Long term	High	● Increase R&D investment to develop capacitor with eco-friendly insulating oil and intelligent online-monitoring capacitor, and provide customers with full-life-cycle low-carbon solutions.
	Supply Chain Collaboration	● Collaboration on low-carbon processes with upstream suppliers of steel, aluminum foil and insulating materials reduces the carbon footprint of raw materials and improves the green competitiveness of the supply chain.	Controllable procurement costs	Long term	Medium	● Establish green supplier access standards, regularly evaluate suppliers' carbon management and environmental performance, and build a green supply chain jointly.

Impacts, Risks and Opportunities Management

The Company has fully integrated the management of climate-related impacts, risks and opportunities into its overall risk management system, and established standardized management procedures to ensure timely identification, objective assessment, effective response and continuous monitoring of climate risks. To enhance the standardization and traceability of climate risk management, the Company has built a full-process and whole-chain management system by improving institutional procedures, clarifying responsibilities, strengthening reviews at key nodes and implementing closed-loop rectification, ensuring all management measures are carried out in an orderly manner with verifiable records.

The Company regularly reviews key climate risk indicators, continuously tracks evolving trends and potential opportunities associated with climate risks, and dynamically adjusts management strategies to better align business development with climate changes, thereby steadily consolidating the foundation for sustainable development.

Indicators and Targets

Closely combining industry characteristics, its own development realities, as well as internal and external professional advice, the Company focuses on key areas including energy conservation and emission reduction, low-carbon product development and zero-carbon factory construction. It systematically advances carbon reduction practices, continuously enhances green competitiveness, and strives to achieve a win-win of economic and environmental benefits.

To scientifically support the formulation and tracking of carbon reduction targets, the Company conducts greenhouse gas (GHG) emission accounting in accordance with the international standard ISO 14064, adopting standardized quantitative methods to clearly identify and calculate GHG emissions within the defined scope. Authentic, accurate and traceable emission data lays a solid foundation for carbon target setting, emission reduction performance evaluation, climate risk management and external disclosure of sustainability information.

The Company will continuously improve its carbon emission indicator system, regularly review progress in target achievement, and dynamically optimize carbon reduction pathways to ensure all emission reduction measures are effectively implemented and deliver tangible results, contributing to carbon neutrality goals.

The Company actively implements energy conservation and emission reduction initiatives. Addressing unintended water vapor emissions in the cleaning process, it proactively identifies and assesses potential energy consumption and emission impacts, and promptly switches to low-temperature cleaning agents. This effectively eliminates vapor escape and reduces energy consumption and greenhouse gas emissions during production.

Green Products

The Company is committed to developing eco-friendly capacitor products, integrating low-carbon and environmental protection concepts throughout raw material selection, production processes and structural design. The products adopt rapidly degradable synthetic ester insulating oil, which ensures excellent electrical performance while significantly reducing environmental impacts and meeting application requirements for green electricity equipment. In the manufacturing process, the Company continuously optimizes welding technologies to effectively reduce solder consumption and lower resource consumption and hazardous substance emissions during production. Meanwhile, improved product structural design reduces operational losses and noise levels, extends the service life of capacitor, and decreases replacement frequency and waste generation over the full-life-cycle.

Biodiversity Conservation

The Company consistently incorporates biodiversity conservation as a vital component of its green operation and environmental management system, striving to minimize potential impacts of production and business activities on natural ecosystems and regional ecological balance. During production and operation process, the Company strictly complies with national and local laws and regulations on ecological environmental protection. It monitors impacts of project construction, daily operation and pollution prevention and control on surrounding ecological environments, and works to reduce potential disturbances to natural ecosystems, habitats of flora and fauna, and regional ecological balance.

Combined with its business characteristics, the Company continuously promotes green manufacturing and cleaner production. It controls pollutant emissions at the source, standardizes the use of resources and energy, and strengthens factory environmental management to keep ecological impacts within reasonable limits. None of the Company's production or office sites are located in or near nature reserves or ecologically sensitive areas. No significant impacts on ecosystems or biodiversity have been identified from its business activities, products or services. The Company is committed to the coordinated development of corporate operations and ecological protection.

The Company emphasizes factory environmental construction and eco-friendly management, continuously carrying out greening maintenance, environmental improvement and on-site management optimization. Balancing production needs with ecological landscape requirements in factory planning and daily management, it scientifically selects greening tree species such as cedar, holly and osmanthus according to local conditions, rationally arranges green spaces, improves the ecological quality of the factory area, provides habitats for organisms, and fosters a virtuous cycle of factory natural ecology.

The Company continuously promotes ecological and environmental awareness cultivation among all employees. Through regular publicity on green operations, it enhances staff understanding of and participation in biodiversity conservation, integrates ecological protection concepts into daily corporate operations, and contributes to the sustainable development vision of harmonious coexistence between humans and nature.

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Care for Growth, Share in Progress

Corresponding UN Sustainable Development Goals (UN SDGs) for this Chapter



31 Employee Rights and Interests Protection
33 Welfare and Care
34 Democratic Management
34 Employee Communication
35 Training and Development
37 Occupational Health and Safety
40 Fulfilling Social Responsibility

Employee Rights and Interests Protection

Sieyuan Capacitor always regards employees as its most valuable asset and the cornerstone of corporate sustainable development. The Company actively fosters a diverse and inclusive corporate culture, builds comprehensive development platforms for employees and provides robust support. In strict compliance with labor-related laws and regulations, the Company continuously optimizes human resources management, improves per-capita efficiency through scientific formulation and precise management and control, and promotes mutual growth of employees and the enterprise.

Compliant Employment

Adhering to a people-oriented philosophy, the Company is committed to building a fair, impartial and inclusive employment environment for employees. It strictly abides by national laws and regulations including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China* and the *Minor Protection Law of the People's Republic of China*. In line with local employment requirements where the business operates, the Company has established a comprehensive human resources management system covering key links such as recruitment, employment, management and employee relations, and formulated and implemented internal rules and regulations including the *Recruitment Management Procedure*.

In recruitment and hiring process, the Company upholds the principles of openness, fairness, impartiality and merit-based selection. It broadens talent recruitment channels through a combination of social recruitment and campus recruitment, and allocates human resources via internal cultivation, internal selection and job transfer according to post requirements. Meanwhile, the Company releases job information, screens resumes and conducts interview assessments in accordance with standardized recruitment procedures, and verifies the identity, educational background and work experience of prospective employees to ensure recruitment quality and employment compliance.

Furthermore, the Company consistently emphasizes standardization and stability in labor relation management. It strictly implements standardized recruitment processes, signs labor contracts with employees in accordance with the law to clarify the rights and obligations of both parties, guarantees legal and stable labor relations, and effectively safeguards employees' legitimate employment rights.

During the reporting period

the labor contract coverage rate of the Company reached **100** %

Human Rights Protection

The Company deeply practices the concept of human rights protection and integrates it into all links of corporate governance, building an all-round rights and interests protection system covering employees, partners and customers. Adhering strictly to the principle of equal development, it eliminates barriers such as gender, age, race and religious belief, establishes fair and transparent career promotion channels and a diversified training and empowerment system for all employees, ensuring that every employee can realize personal value in an environment of respect and inclusion.

The Company strictly enforces requirements including prohibition of child labor, prohibition of forced labor, anti-discrimination, anti-harassment, freedom of association and collective communication to effectively safeguard employees' legitimate rights and interests. During recruitment and on-boarding stage, it rigorously verifies identity information and relevant documents to prevent risks of child labor and other non-compliant employment. In daily management, it standardizes overtime arrangements and labor relations management, prohibits any form of forced labor, personal infringement and unfair treatment, and guarantees employees' statutory rights to labor compensation, rest and vacation, and legitimate resignation. By combining institutional constraints with cultural guidance, the Company strives to create an equal, respectful, safe and healthy workplace, delivering solid corporate practices for human rights protection.

In 2025

there were no human rights violations such as discrimination, harassment, child labor or forced labor within the Company.

Prohibition of Child Labor

The Company has set up and strictly enforced mechanisms to prevent and remedy child labor issues. It thoroughly verifies identity documents during recruitment and conducts further age verification when necessary to eradicate child labor at the source. For legally employed juvenile workers, the Company strictly complies with relevant protection requirements, including post restrictions, physical examinations, filing procedures and specialized file management.

In the rare event of accidental employment of child labor, the Company shall immediately launch dedicated remedial procedures: suspend all work of the child labor, safely return the child to their guardian at the Company's full expense, and provide medical and educational support as needed. Subsequently, the Company conducts a root cause analysis, revises its management policies, enhances staff training programs, prevents recurrence of similar incidents, and ensures comprehensive compliance and closed-loop control throughout its employment management practices.

Prohibition of Forced Labor

Upholding the principle that "voluntary employment", the Company explicitly prohibits all forms of forced labor, including but not limited to document detention, deposit withholding, debt bondage, involuntary overtime and any conduct restricting personal freedom. Employees' rights to independent employment and voluntary resignation are fully guaranteed.

Upon detection of suspected forced labor, the Company shall immediately initiate remedial procedures: cease non-compliant acts, fully return detained documents and deposits, lift all debt or personal freedom restrictions, and provide statutory financial compensation and necessary psychological counseling for affected employees. Meanwhile, specialized investigations will be organized to analyze incident causes, improve internal management systems, strengthen anti-forced labor training of management and all employees, and establish regular inspection and audit mechanisms to prevent similar incidents and sustain a free, fair, lawful and dignified working environment.

Anti-Discrimination and Anti-Harassment

The Company strictly prohibits discrimination based on race, social class, nationality, religious belief, disability, gender, sexual orientation, trade union membership, political affiliation or age in any processes including recruitment, compensation, training, promotion, dismissal or retirement, ensuring equal employment opportunities, rights and interests protection for all employees. The Company does not conduct any discriminatory medical examinations on job applicants or employees; all health examinations are based on actual job requirements and strictly comply with laws and regulations to avoid privacy infringement or improper employment restrictions.

The Company adopts a “zero tolerance” policy toward all forms of coercive, abusive or exploitative sexual harassment (including inappropriate gestures, verbal remarks and physical contact). Open and accessible reporting channels have been established and publicized, and verified violations will be severely penalized in accordance with internal policies. Respecting every employee’s personal dignity, the Company prohibits all forms of corporal punishment, mental or physical coercion, and verbal abuse.

Freedom of Association and Collective Bargaining

The Company fully respects and protects employees’ rights to freedom of association and collective bargaining, and supports employees in establishing and joining trade unions and other legal organizations in accordance with the law. Reports, suggestions and opinions raised by employees and staff representatives are earnestly reviewed and taken as key references for management improvement. Retaliation, punishment or discrimination against employees or representatives for exercising legitimate rights is strictly prohibited. Through institutional safeguards and cultural development, the Company fosters an open, equal and mutually trustful communication environment to effectively protect employees’ rights to participate in democratic management and collective negotiation.

Working Hours and Overtime Regulations

The Company implements a strict overtime approval system. Working hours may only be extended for temporary major urgent matters upon unified arrangement by managers at minister level or above and completion of approval procedures before overtime hours are recorded. The Company standardizes overtime management, arranges compensatory leave for employees based on actual circumstances or pays overtime wages in accordance with applicable laws, so as to fully protect employees’ legitimate rights and interests to rest, leave and labor compensation.

Diversity and Inclusion

Advocating a people-oriented philosophy and actively undertaking social responsibilities, the Company is committed to providing equal employment opportunities for employees regardless of nationality, race, skin color, place of birth, gender, sexual orientation, age, economic status, political belief, religious belief, ethnicity, region or disability, and building a diverse and inclusive workplace. We firmly believe that a diverse workforce is a key driving force for innovation and sustainable development.

To support female employees’ career development and physical and mental well-being, the Company strictly implements statutory benefits including maternity leave, parental leave and maternity insurance, while offering wedding and childbirth allowances to continuously improve female care mechanisms. The Company holds regular forums for female employees to listen to their voices and respond to reasonable demands in a timely manner. It also organizes themed celebration activities on International Women’s Day to foster a sound atmosphere of respect and care for female employees.



Women’s Symposium



International Women’s Day Activities

The Company actively fulfills its social responsibilities and is committed to building an equal and inclusive employment environment for employees with disabilities. Tailored job positions are allocated based on their actual capabilities and job requirements, together with reasonable workplace accommodations and barrier-free support, to ensure their equal access to employment opportunities and career development. By installing professional assistive facilities, conducting job skill training and establishing personalized support mechanisms, the Company helps employees with disabilities integrate into work teams, perform their duties competently, and realize self-worth in an atmosphere of respect and care, thus promoting a diverse and inclusive corporate culture.

Welfare and Care

Compensation and Benefits

The Company adheres to a fair, reasonable and market-competitive compensation management strategy. It attracts and retains talents through a standardized compensation system, stimulates employees’ potential, and enhances organizational competitiveness and sustainable development capacity. The Company implements grade by position, salary determination by grade, matching of personnel to positions, and salary adjustment with position changes. Individual performance bonuses are linked to overall corporate benefits, with value distribution inclined toward dedicated employees and outstanding contributors. Bonuses are issued based on operating performance and performance at all levels to encourage excellence and drive employees to increase compensation through continuous value creation.

Meanwhile, the Company pays social insurance and housing fund contributions in accordance with the law, covering basic rights and interests such as medical care, pension and housing. Centered on employees’ work and life needs, it has built a multi-level welfare system including health care, family support and cultural benefits, improving employees’ sense of security and gain.

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Employee Welfare System

Basic Living Security	• Accommodation: Dormitories are provided for employees with necessary living facilities, and part of the related expenses are subsidized by the Company. • Catering: An on-site canteen offers lunch or overtime meals. Employees may dine by swiping their employee ID cards at designated times. • Shuttle Buses: Commuter shuttle buses are available for employees to travel to and from work at fixed times and stops.
Housing & Settlement Support	• Housing Purchase Loans: Eligible employees may apply for housing purchase loans provided by the Company for property acquisition. • Residence Permit Points or Household Registration Support: The Company assists eligible employees in applying for local residence permit points or household registration in compliance with national laws, regulations and local government requirements.
Colorful Employee Life	• Hold irregular activities such as birthday parties, matchmaking events, fitness and recreation programs, sports competitions, and team tours.
Celebrations & Family Care	• Offer wedding gifts and maternity allowances; equipped with nursing rooms to balance work and life.
Health Protection	• Provide commercial personal accident insurance, traffic accident insurance and employer liability insurance for eligible employees; • Implement team critical illness insurance; • Arrange annual physical examinations; • Provide high-temperature consolation.
Secure Retirement	• Provide five social insurances and one housing fund (basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing fund).
Incentives & Development	• Offer multiple rewards including year-end 13th-month salary, performance bonuses, equity incentives, etc.。
Other Benefits	• Annual team tours, festival activities and allowances, birthday parties and gifts, health and entertainment facilities, etc

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Employee Care

Sieyuan Capacitor deeply recognizes that every employee is the core driving force for the Company's vigorous development. We always prioritize employees' well-being and needs, striving to build a caring and dynamic workplace community.

To help employees fully relax after hard work, the Company carefully plans and organizes a variety of staff activities to enrich spare time life and strengthen team cohesion, enabling every employee to gain a sense of belonging and happiness.

The Company regularly holds warm birthday parties for employees to make birthday celebrants feel the warmth of the big family. For traditional festivals such as the Spring Festival and Mid-Autumn Festival, festival allowances are provided to convey joy and care. Meanwhile, the Company regularly organizes wellness activities such as annual tours to help employees relax and strengthen mutual friendship amid busy work schedules. Through continuous humanistic care, we endeavor to make every employee feel warmth of home at Sieyuan Capacitor, thus unleashing their full potential to jointly write a brilliant chapter of corporate growth.



Summer High-Temperature Consolation Activity



Female Employee Consolation Activity



Mid-Autumn Festival Activity



Fun Sports Meet Activity

Democratic Management

The Company strives to build an open and transparent communication environment and adheres to the philosophy of democratic management. It convenes the Employee Representative Congress on schedule every year to ensure the implementation of its statutory powers concerning major decisions, compensation distribution, labor protection and other matters. Meanwhile, the Company supports the trade union in performing its four functions of participation, protection, construction and education in accordance with the law, enabling it to serve as an effective bridge for employee rights and interests protection, democratic consultation and corporate culture development.

The Company has signed a collective labor contract, together with specialized collective contracts on compensation, protection of female employees' rights and interests, and occupational disease prevention and control. These contracts systematically cover key areas including labor compensation, working hours and leave, occupational safety and health, social insurance and welfare, employee training, and protection for special groups, laying a solid institutional foundation for safeguarding employees' rights and interests and maintaining long-term stable labor relations.

During the reporting period

The company's trade union membership coverage rate has reached **100** %

During the reporting period

The collective agreement coverage rate for employees has reached **100** %

Employee Communication

The Company has established a smooth two-way communication mechanism to accurately capture employee demands through multiple channels and provide differentiated, customized support services accordingly. Through continuous communication and feedback, the Company not only obtains practical evidence for management decision-making, but also effectively conveys core corporate values through our communication channels, continuously enhancing employees' organizational identity and sense of belonging.

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The Company systematically collects employee feedback via rational proposal collection, staff symposiums, internal forums, general manager mailboxes and engagement surveys. It gains in-depth insights into employee concerns regarding working environment, career development, welfare protection and on-site management, taking such feedback as key inputs for management optimization. Meanwhile, the Company continuously strengthens communication channels focusing on production site management, front-line job experience and employee career development needs, striving for rapid response, effective resolution and closed-loop implementation of employee demands. Through regular communication and closed-loop problem management, the Company boosts employee participation and organizational belonging, gradually fostering a more open, transparent and trust-based internal communication environment.

In 2025 (out of a full score of 5)

the employee engagement score for Sieyuan Capacitor was **4.45**

and that for management personnel was **4.47**

Training and Development

Sieyuan Capacitor continuously improves career development pathways, builds a hierarchical and categorized training system, and systematically advances talent echelon development. It provides employees with full-cycle growth support from on-boarding to promotion, consolidating the talent foundation for the Company's innovation-driven development.

Talent Cultivation System

Sieyuan Capacitor has established and continuously refined a systematic, hierarchical and categorized talent cultivation system, committed to enhancing human capital value and supporting the implementation of corporate strategies and management improvement. In accordance with institutional requirements such as the *Training Management Measures of Sieyuan Electric*, the Company systematically conducts training demand identification, plan formulation, organization and implementation, and effectiveness evaluation based on job responsibilities, competency standards and business development needs, so as to comprehensively improve employees' professional capabilities, management skills and overall competence.

Training content is categorized into five modules: corporate knowledge, product knowledge, professional skills, personal effectiveness, as well as leadership and management, covering full career cycle development needs from new employee on-boarding to senior and middle level managers.

Training Contents

Corporate Knowledge	Covers corporate history, organizational structure, corporate culture, core values, management systems, institutional processes, etc., helping employees understand and integrate into the Company
Product Knowledge	Includes industry overview, basic knowledge of power systems, product expertise, etc., enabling employees to understand the industry and core products of the Company
Professional Skills	Sub-divided by function into strategic planning & MKT, R&D, supply chain, sales, customer service, engineering, quality management, human resources, finance, IT, administration and other professional fields
Personal Effectiveness	Involves office software, communication skills, time management, professional mindset, teamwork, etc., to improve work efficiency and professional competence
Leadership and Management	Includes role awareness, leadership, performance management, subordinate cultivation, financial management, strategic management, planning management, meeting management, etc., to enhance the comprehensive capabilities of management personnel

The Company has established rigorous procedures for formulating and approving training plans. Centered on post competency, while taking employees' promotion and job rotation needs into account, it implements dynamic management through rolling annual and monthly plans. For outbound training and key projects, the Company stipulates service periods by signing the *Employee Training Agreement*, which safeguards employees' development rights and interests as well as the value of corporate investment.

Training Course	Training Objective	Course Category
Training for Non-operational New Social Recruitment Employees	To understand corporate history, corporate culture and core values, major management systems, procedures, quality management system and EHS system, facilitating quick integration into the Company	Corporate Knowledge
MPP and Product Launch	To understand the MPP process and relevant requirements for product launch	Professional Knowledge and Skills
Value Proposition	To master the value that the Company delivers to customers through products and services	Professional Knowledge and Skills
AC-DC Filter Capacitor for Converter Stations in HVDC Transmission Projects	To understand the basic principles of HVDC transmission, be familiar with capacitor applications in conventional HVDC projects, and master key design points of converter station capacitor	Professional Knowledge and Skills
Structural Design Capacity Improvement Training	To improve 3D drawing design capability and boost design efficiency of cabinet-type products	Professional Knowledge and Skills
EDS Process Training	To introduce basic knowledge of the EDS process	General Skills and Personal Competence
Basic Knowledge of Capacitor Unit Design	To understand basic knowledge of capacitor unit design and provide support for complete set design	Product Knowledge

To help new employees quickly understand the Company and adapt to job requirements, the Company regularly conducts new employee on-boarding training. Delivered by internal trainers via on-site lectures, multiple sessions are planned throughout the year to cover all newly recruited non-operational employees. Through systematic on-boarding training, the Company effectively enhances new employees' sense of organizational identity and job competency, laying a solid foundation for their subsequent career development.



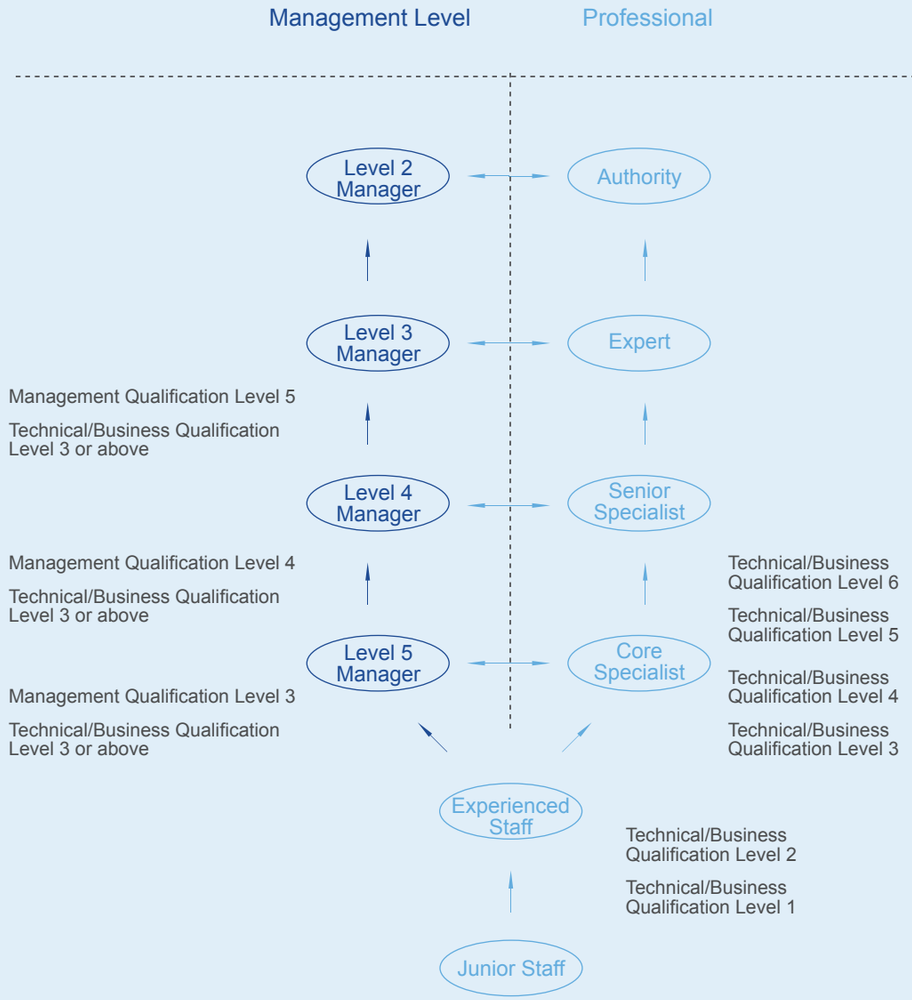
New Employee On-boarding Training

Career Development

The Company systematically assesses employees' competency levels from multiple dimensions including management, professionalism, execution and innovation, providing scientific basis for talent selection, deployment and cultivation. To meet employees' developmental needs at different stages and in diverse directions, the Company has established career development paths covering management, technical and functional tracks, supporting employees to grow in line with their personal capabilities and career goals. Through diversified career development paths, the Company strives to help employees achieve long-term development in suitable positions and fields.

Meanwhile, in light of business development and actual job requirements, the Company optimizes talent allocation by prioritizing internal cultivation, internal selection and job deployment. Management tools such as person-position matching, competency evaluation and job descriptions are adopted to enable employees to deliver value in suitable positions. Focusing on employee growth, the Company integrates training improvement, on-the-job practice and career development paths to clarify employees' growth tracks and facilitate orderly development of the corporate talent echelon.

Career Development Track



Occupational Health and Safety

Sieyuan Capacitor always prioritizes employees' occupational health and safety. In strict compliance with national laws and regulations on occupational health and work safety, the Company has established a sound occupational health and safety management system. Through systematic monitoring of occupational hazards and health surveillance, as well as full implementation of work safety accountability systems and risk management and control measures, the Company creates a safe and healthy working environment to effectively safeguard employees' life safety and occupational health rights and interests.

Governance

The Company firmly adheres to the work safety policy of "Safety First, Prevention Foremost, Comprehensive Governance, Universal Participation, Risk Control and Continuous Improvement". Abiding strictly by laws and regulations including the *Work Safety Law of the People's Republic of China* and the Law of the *People's Republic of China on Prevention and Control of Occupational Diseases*, it has formulated internal documents such as the *Environmental, Occupational Health and Safety Management Manual*, set up a safety management committee, and improved the occupational health and safety management system to prevent occupational diseases and safety accidents and protect employees' health and safety rights and interests.

During the reporting period, the Company obtained certification and the corresponding certificate for the ISO 45001 Occupational Health and Safety Management System.


bsi.
Certificate of Registration
"making excellence a habit."

ISO 45001 Occupational Health and Safety Management System Certification Certificate

Strategies

Based on industry characteristics and its own practical conditions, the Company thoroughly identifies risks and opportunities in occupational health and work safety, develops scientific response strategies to prevent and control occupational health and safety risks to the greatest extent, seizes relevant opportunities, and provides comprehensive protection for employees' health and safety. Through risks identification and opportunities management at the strategic level, the Company continuously improves its occupational health and safety management standards and consolidates the foundation for sustainable development.

Type	Category	Description	Response Strategies/Measures
Risks	Physical Risks	Mechanical injuries (e.g., rolling machines, press equipment), object strikes, electric shocks, and falls from height which are likely to cause casualties and disrupt production continuity.	● Set clear warning signs; provide employees with standard-compliant personal protective equipment (safety helmets, insulating shoes and goggles); conduct regular equipment maintenance and safety inspections.
	Chemical Risks	Chemicals used in production such as insulating oil, cleaning agents and curing agents may trigger occupational diseases or lead to fire and explosion accidents.	● Establish a comprehensive chemical management system (procurement, storage, issuance and disposal); ensure ventilation in workplaces and install eye-washers and emergency supplies; deliver chemical safety training to employees.
	Management Risks	Inadequate safety management systems, insufficient employee training, and incomplete or poorly practiced emergency plans result in ineffective risk management and control.	● Formulate sound work safety accountability and occupational health management systems with clear job responsibilities; conduct regular safety training and emergency drills to raise employees' risk awareness and self-rescue and mutual-rescue capabilities; establish a hazard identification and treatment mechanism and carry out periodic risk assessments.
	Compliance Risks	Failure to comply with regulatory requirements including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the *Work Safety Law of the People's Republic of China* (e.g., failure to conduct occupational hazard monitoring or file safety evaluations), leading to penalties such as fines and production suspension for rectification.	● Track the latest work safety and occupational health regulations and standards to ensure institutional and procedural compliance; proactively cooperate with supervision and inspection by government authorities and rectify identified issues in a timely manner.
Opportunities	Efficiency Opportunities	A robust safety management system reduces accident and equipment failure rates, minimizes production suspension losses, and improves production efficiency and product quality stability.	● Adopt an information-based safety management platform for real-time risk early warning and data analysis; set reasonable annual occupational health and work safety objectives and incorporate them into performance appraisal.
	Talent Opportunities	Prioritization of occupational health and safety enhances employees' sense of security, belonging and loyalty, lowers turnover rate, and attracts high-quality talents.	● Provide employees with occupational health guarantees (regular physical examinations, health files) and safety skill training; recognize individuals and units with outstanding performance in the field of occupational health and safe production to foster a culture atmosphere where safety is prioritized by all.
	Reputational Opportunities	Sound occupational health and safety management improves corporate social image, strengthens trust among customers and partners, and meets green supply chain requirements.	● Disclose occupational health and safety performance in sustainability reports; participate in industrial safety standardization rating initiatives; proactively communicate safety management achievements to stakeholders.

Impacts, Risks and Opportunities Management

The Company systematically identifies and proactively manages impacts, risks and opportunities related to occupational health and safety, establishing a closed-loop management system covering safety risk management, hazard identification and treatment, emergency response, and occupational health surveillance. It continuously enhances work safety performance to safeguard employees' life and health as well as the stable operation of the enterprise.

Safety and Emergency Management

The Company attaches great importance to safety and emergency management. In accordance with the *Production Safety Accident Emergency Plan* and annual drill plans, it regularly organizes comprehensive emergency drills to test and improve its capacity to respond to unexpected incidents. In June 2025, the Company conducted a fire-themed comprehensive emergency drill covering the whole process including alarm triggering, evacuation, search-and-rescue, fire-fighting and first-aid treatment, which effectively verified employees' emergency escape capability and the coordination efficiency of the ERT Team.

Meanwhile, targeting electric shock risks in production operations, the Company carried out emergency drills for electric shock accidents. Simulating scenarios of accidental electric shocks to on-site workers, the drill focused on procedures such as power-off rescue, cardiopulmonary resuscitation (CPR), accident reporting and on-site disposal, strengthening employees' emergency response and standardized handling capabilities for electric shock incidents. Through multi-scenario and regular emergency drills, the Company continuously optimizes its emergency mechanism, raises overall safety literacy among all employees, and builds a solid line of defense for work safety.



CPR Training Photos

Dual Prevention Mechanism

The Company fully implements the dual prevention mechanism for hierarchical safety risk control and hazard danger investigation and management as a core measure to fulfill its primary responsibility for work safety, building a full-process closed-loop safety management system featuring "pre-incident prevention, in-incident management and control and post-incident improvement", so as to effectively prevent various work safety accidents.

The Company comprehensively identifies all types of hazard sources throughout production and operation processes, and determines risk levels through scientific and standardized risk assessment methods to support hierarchical risk management and control. It prioritizes the compilation and revision of the "One Map and Two Lists": the four-color risk zoning map visualizes regional risks; the risk identification list specifies hazard source names, locations, causes and potential hazards; the hierarchical risk management and control list clarifies responsible departments, management and control measures, implementation frequencies and emergency disposal requirements to ensure assigned responsibilities and implemented measures. Meanwhile, the Company develops *Risk Notification Cards for Key Positions*, which are posted in prominent areas at workstations to specify workstation-related hazard sources, risk levels, prevention and control measures as well as emergency methods, enabling employees to fully understand post risks and operate in a standardized manner. The Company strictly manages and controls major risk points and high-risk operations, continuously optimizes prevention and control measures, and improves inherent safety levels.

The Company establishes hazard identification list covering all positions and processes to encourage all employees to identify and report hazards. For all identified safety hazards, it strictly enforces the "five implementations" principle including responsibilities, measures, funds, time limits and emergency plans to achieve closed-loop treatment. A hazard "exposure platform" is set up to publicize typical and recurring problems identified during supervision and inspection at regular meetings, and urge workshops to assess and hold relevant personnel accountable. A dedicated hazard identification and treatment module is included in the monthly EHS key work plan, where key hazards are sorted out by workshop with clear rectification tasks and control requirements, forming a systematic and actionable monthly work plan. Through continuous operation of the dual prevention mechanism, the Company steadily consolidates its work safety foundation and effectively prevents various safety accidents.

Chemical Safety Management

The Company has established and strictly implemented the *Chemical Safety Management System*, conducting full-life-cycle safety management of chemicals covering procurement, transportation, acceptance, loading and unloading, storage and usage. It defines management and control standards and responsibilities for each link to prevent risks of leakage, fire, explosion and occupational health hazards at the source, so as to ensure personnel safety.

The Company provides safety skill and compliance training for chemical management personnel, develops emergency response plans for chemical accidents with clear emergency disposal procedures and responsibility allocation, and organizes regular drills. In 2025, the Company carried out an emergency drill for chemical leakage, simulating a benzyltoluene leakage scenario to verify the suitability of emergency plans and the coordinated disposal capacity of the ERT Team. Targeting deficiencies identified in the drill, the Company delivered targeted training and equipment operation practice in a timely manner, continuously improving all staff's emergency response and disposal capabilities, and ensuring closed-loop and controllable chemical safety management.



Hazardous Chemical Leakage Emergency Drill

Occupational Health Management

Strictly complying with laws and regulations including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases,* the Company has established and continuously improved its occupational health management system. It systematically identifies, monitors and assesses occupational hazard factors, arranges regular occupational health examinations, and deploys occupational disease prevention facilities and personal protective equipment (PPE), so as to effectively safeguard employees' rights and interests in occupational health.

Monitoring and Assessment of Occupational Hazard Factors

The Company entrusts qualified third-party institutions to conduct annual monitoring of occupational hazard factors at production sites and triennial status assessments. The 2025 assessment report identifies multiple hazard factors including noise, dust, benzene series, lead fume, tin dioxide and welding fume, covering key positions such as metalworking, impregnation, painting and welding. Monitoring results show that the concentrations (intensities) of chemical and physical hazards at all positions meet national occupational exposure limits. However, the control wind speed of local exhaust hoods needs improvement, for which a rectification plan has been formulated.

Occupational Health Surveillance

In accordance with laws, the Company arranges pre-employment, on-the-job and post-employment occupational health examinations for employees exposed to occupational hazards. In 2025, occupational health examinations were conducted for 67 on-the-job employees with a 100% examination rate. No occupational contraindications or suspected occupational diseases were found. 1 employee was required to have a re-examination due to abnormal blood glucose, for whom the Company has urged timely re-examination and followed up the results. The Company establishes "one employee, one file" and informs employees of physical examination results in writing to guarantee their right to know.

Engineering Protection and Personal Protection

The Company installs local ventilation and toxin-removal facilities at major dust and toxin generating positions, and applies vibration reduction and sound insulation measures for high-noise equipment. Meanwhile, PPE such as dust-proof masks and toxin-proof respirators, noise-proof earplugs, safety goggles and protective gloves are provided according to hazard factors of each position, with regular training on proper wearing and supervision inspections carried out. In 2025, the Company purchased supplies including KN95 masks and cut-resistant gloves to ensure timely renewal and effective application of protective equipment.

In response to issues highlighted in the assessment, such as insufficient control wind speed of ventilation facilities and missing warning signs in some areas, the Company has formulated a rectification plan to optimize the local exhaust system and improve occupational hazard notification cards. It also plans to introduce low-toxic raw and auxiliary materials (e.g., lead-free solder bars) to reduce occupational health risks at the source. The Company will continuously strengthen occupational health management and improve health protection for employees.

Indicators and Targets

With the vision of achieving "zero accidents, zero occupational diseases and zero pollution", the Company systematically sets occupational health and safety targets and quantifiable indicators in accordance with legal requirements and annual management priorities. It clarifies assessment criteria and statistical cycles, and forms a closed-loop management mechanism of "objective–implementation–monitoring–improvement", ensuring hierarchical implementation of safety responsibilities and continuous improvement of management performance.

2025 Safety Objectives and Achievement Status

Indicator	Target	Achievement Status
Elimination of work-related injuries	0	Achieved
Elimination of major disaster accidents	0	Achieved
Elimination of occupational diseases	0	Achieved
Elimination of food-related adverse incidents	0	Achieved
Certification rate of personnel for "three key types of positions"	100%	Achieved



Fulfilling Social Responsibility

For eleven years, Sieyuan Electric has stayed true to its original aspiration and dedicated itself wholeheartedly to its cause. On November 8, 2025, the 11th “Run · Love” public welfare activity successfully concluded. As a long-standing signature public welfare brand of Sieyuan Electric, the campaign converts employees’ running mileage into charitable donations to support children in poor areas and vulnerable groups by improving their learning and living conditions, while actively encouraging all sectors of society to pay attention to rural education and disadvantaged children. By the end of this activity, the campaign had attracted a total of 37,153 participants, with a cumulative running mileage of 178,939.73 kilometers and charitable donations exceeding RMB 2 million, continuously conveying the warmth of public welfare and the power of corporate responsibility.

As a subsidiary of Sieyuan Electric, Sieyuan Capacitor actively responds to the Group’s public welfare initiative and proactively participates in the “Run · Love” public welfare activity. It integrates employees’ healthy lifestyles with public welfare practices, supporting rural education and child-care undertakings with concrete actions. By encouraging broad employee participation in the public welfare running activity, the Company further enhances staff awareness of social responsibility and team cohesion, promotes the spread of public welfare concepts within the enterprise, and demonstrates its sound image of giving back to society and fulfilling corporate responsibilities.









“Love · Run” Public Welfare Activity

Key Performances

Governance Performance

Indicator	Unit	2025	2024	2023
Economic Performance				
Operating Income	RMB 10,000	72,996.14	76,404.63	64,754.79
Net Profit	RMB 10,000	11, 998.06	14,587.90	9,841.01
Total Tax Paid	RMB 10,000	5,278.94	5,890.80	3,454.98
Anti-Corruption and Anti-Bribery				
Number of Confirmed Major Corruption Incidents	Case	0	0	0
Total Monetary Losses from Legal Proceedings Related to Bribery or Corruption	RMB 10,000	0	0	0
Anti-Unfair Competition				
Number of Confirmed Major Anti-Unfair Competition Incidents	Case	0	0	0
Total Monetary Losses from Legal Proceedings Related to Unfair Competition Regulations	RMB 10,000	0	0	0
Number of Appeals and Reports				
Total Number of Appeals and Reports	Time	0	0	0
–Reports from Employees	Time	0	0	0
–Reports from Suppliers and Contractors	Time	0	0	0
–Reports from Other Stakeholders	Time	0	0	0

Environmental Performance

Indicator	Unit	2025	2024	2023
Environmental Compliance				
Total Environmental Protection Investment	RMB 10,000	54.0227	1110.08	747
Percentage of Employees Trained on Specific Environmental Topics	%	100	100	100
Number of Environmental Risk Assessments Conducted	Time	1	1	1
Percentage of Operating Sites Undergoing Specific Environmental Risk Assessments	%	100	100	100
Number of Operating Sites Certified with ISO 14001 Environmental Management System	Number	1	1	1
Accidental Environmental Pollution Incidents (such as Spills, Leakages)	Case	0	0	0
Amount of Major Administrative Penalties Imposed by Ecological Environment and Other Relevant Authorities for Environmental Incidents During the Reporting Period	RMB 10,000	0	0	0

Environmental Performance

Indicator		Unit	2025	2024	2023
Waste Gas Emission					
Total Emission of Waste Gas Pollutants		Ton	1.02	2.15	0.85
Nitrogen Oxides (NO_x)		Ton	0.401	0.502	0.63
Particulate Matter (PM)		Ton	0.13	0.099	0.03
Ammonia		Ton	0	0	0.03
Volatile Organic Compounds (VOCs)		Ton	0.492	1.436	0.09
Non-Methane Total Hydrocarbons		Ton	0	0.118	0.06
Wastewater Discharge					
Total Volume of Wastewater Discharged		m^3	5040	6777	10694
Total Volume of Industrial Wastewater Discharged		m^3	0	0	0
Total Volume of Domestic Wastewater Discharged		m^3	5040	6777	10694
Total Wastewater Pollutant Discharge		Ton	1.8614	0	0
COD		Ton	1.36	10.04	0.86
Ammonia Nitrogen		Ton	0.214	36.044	2.21
Suspended Solids		Ton	0.272	5.983	0.37
Total Phosphorus		Ton	0.0154	95.202	12.47
Waste					
Total Waste		Ton	95.735	93.085	76.442
Waste Intensity Per Unit Revenue		Ton/RMB 10,000	0.001311277	0.00121831	0.00118048
Safe Disposal Rate of Industrial Solid Waste and Hazardous Waste		%	100	100	100
Non-Hazardous Waste	Total Non-Hazardous Waste Generated	Ton	66.8	2952.234	537.97
	Non-Hazardous Waste Transferred for Disposal	Ton	66.8	2997.224	537
	Non-Hazardous Waste Intensity Per Unit Revenue	Ton/RMB 10,000	0.000914956	0.000926379	0.000853062
Hazardous Waste	Total Hazardous Waste Generated	Ton	28.935	910.1979	702.38
	Hazardous Waste Transferred for Disposal	Ton	28.935	864.882	702.38
	Percentage of Hazardous Waste Recycled	%	100%	100	100
	Hazardous Waste Spilled	Ton	0	0	0
	Amount of Spilled Waste Recovered	Ton	0	0	0
	Hazardous Waste Intensity Per Unit Revenue	Ton/RMB 10,000	0.000396321	0.000291931	0.000327419

Indicator		Unit	2025	2024	2023
Greenhouse Gases					
Total GHGs Emissions		tCO_2e	10514.95	12134.72	-
Direct GHGs Emissions (Scope 1)		tCO_2e	337.42	411.24	-
Indirect GHGs Emissions (Scope 2)		tCO_2e	10177.5	11723.48	-
Energy					
Total Comprehensive Energy Consumption		kWh	5,294,041	6,158,445	5,867,980
Direct Energy	Natural Gas	m^3	137,928	173,602	173,982
Indirect Energy	Purchased Electricity	千瓦时	3,461,390	4,112,325	4,128,160
Clean Energy	Photovoltaic Power Generation	千瓦时	453,371	310,100	-
	Natural Gas	立方米	137,928	173,602	173,982
	Total Clean Energy Consumption	千瓦时	1,832,651	2,046,120	1,739,820
	Proportion of Natural Gas in Total Clean Energy	%	75.26	84.84	100.00
	Proportion of Photovoltaic Power in Total Clean Energy	%	24.74	15.16	0.00
Water Resources					
Total Water Intake		Ton	10,800	12,537	16,454

Social Performance

Indicator	Unit	2025	2024	2023
Innovation and R&D				
Newly Granted Patents	Item	3	4	4
Number of Newly Granted Invention Patents	Item	2	3	3
Number of Newly Filed Invention Patent Applications	Item	1	9	7
Total Number of Valid Granted Patents	Item	93	104	97
Total Number of Granted Invention Patents	Item	31	30	26
Number of Granted Invention Patents Applied to Core Businesses	Item	93	104	97
Product Responsibility				
Number of Operational Sites Certified to ISO 9001 Quality Management System	Number	1	1	1
Coverage Rate of Operational Sites with Quality Management System Certification	%	100	100	100
Number of Product Recalls Arising from Quality, Safety and Health Issues	Number	0	0	0
Total Number of Recalled Products	Unit	0	0	0
Amount of Losses from Major Safety and Quality Liability Accidents Related to Products and Services During the Reporting Period	RMB 10,000	0	0	0
Total Monetary Losses from Legal Proceedings Related to Product Safety	RMB 10,000	0	0	0

Indicator		Unit	2025	2024	2023
Sustainable Procurement					
Total Number of Suppliers		Number	77	73	71
By Region	Chinese Mainland Suppliers	Number	77	73	71
	Hong Kong, Macao, Taiwan and Overseas Suppliers	Number	0	0	0
Percentage of Suppliers That Have Undergone Social Responsibility Questionnaires		%	36	0	0
Percentage of Suppliers That Have Undergone On-site Social Responsibility Audits		%	16	0	0
Percentage of Suppliers That Have Signed the Supplier Code of Conduct		%	36	0	0
Percentage of Suppliers That Have Signed Social Responsibility Framework Agreements		%	36	0	0
Number of Suppliers Identified with Actual and Potential Significant Adverse Social Impacts		Number	0	0	0
Number of Suppliers Identified with Actual and Potential Significant Adverse Environmental Impacts		Number	0	0	0
Number of Purchasers		Person	5	5	5
Number of Purchasers Trained in Sustainable Procurement		Person	5	5	5
Percentage of Purchasers Trained in Sustainable Procurement Across All Regions		%	100	100	100
Labor Management					
Number of New Employees		Person	35	48	50
Total Number of Employees		Person	223	224	218
Social Insurance Coverage Rate		%	100	100	100
Collective Agreement Coverage Rate		%	100	100	100
Number of Human Rights Protection Training Sessions		Time	0	0	0
Coverage Rate of Employees in Human Rights Protection Training		%	0	0	0
Number of Human Rights Risk Assessments		Time	0	0	0
Number of Internal Human Rights Audits		Time	0	0	0
Number of Confirmed Child Labor/Forced Labor Employment Incidents		Case	0	0	0
Number of Confirmed Discrimination and Harassment Incidents		Case	0	0	0
Care for Vulnerable Teams	Total Number of Disabled Employees	Person	1	1	1
	Proportion of Disabled Employees	%	0.45	0.45	0.46
Gender Structure	Total Number of Male Employees	Person	154	153	148
	Total Number of Female Employees	Person	69	71	70
	Number of Senior Managers	Person	14	13	13
	Number of Female Senior Managers	Person	4	4	3
	Number of Board Members	Person	4	4	4
	Number of Female Directors	Person	1	1	1
	Proportion of Male Employees in Total Workforce	%	69.05	68.3	66.88

Indicator		Unit	2025	2024	2023
	Proportion of Female Employees in Total Workforce	%	30.94	31.69	33.11
	Proportion of Female Managers	%	28.57	30.76	23.07
	Proportion of Female Directors	%	25	25	25
Age Structure	Number of Employees Under 30 Years Old	Person	47	48	42
	Number of Employees Between 30 and 50 Years Old	Person	154	156	158
	Number of Employees Over 50 Years Old	Person	22	20	18
	Proportion of Employees Under 30 Years Old	%	21.07	21.42	19.26
	Proportion of Employees Between 30 and 50 Years Old	%	69.05	69.64	72.47
	Proportion of Employees Over 50 Years Old	%	9.8	8.9	8.2
Education Background Structure	Number of Employees with Doctorate & Postdoctoral Degrees	Person	0	0	0
	Proportion of Employees with Doctorate & Postdoctoral Degrees	%	0	0	0
	Number of Employees with Master's Degree	Person	7	6	7
	Proportion of Employees with Master's Degree	%	3.1	2.6	3.2
	Number of Employees with Bachelor's Degree	Person	77	73	69
	Proportion of Employees with Bachelor's Degree	%	34.52	32.58	31.65
	Number of Employees with Associate Degree	Person	41	40	41
	Proportion of Employees with Associate Degree	%	18.38	17.85	18.8
Employee Training					
Total Training Investment		RMB 10,000	17	17	13
Number of Training Participants		Person-Times	669	672	654
Number of Training Sessions		Time	3	3	3
Total Training Hours		Hour	5352	5376	5232
Average Training Hours per Employee		Person	24	24	24
Number of Employees Under Performance Appraisal		Person	223	224	218
Occupational Health and Safety					
Number of Safety Committee Members		Person	31	31	27
Proportion of Safety Committee Members in Total Employees		%	0.109	0.33	0.34
Work Safety Investment		RMB 10,000	186.54	2678.11	1134
Number of Work Safety Training Sessions		Time	19	18	18
Work Safety Training Expenditure		RMB 10,000	2	1	0
Occupational Health and Safety Training Coverage Rate for Employees		%	100	100	100
Cumulative Number of Employee Safety Training Participants		Time	5491	44531	4824
Average Safety Training Hours per Employee		Person	19	351.12	18

Indicator	Unit	2025	2024	2023
Number of Health and Safety Risk Assessments	Time	1	1	1
Percentage of Operating Sites Conducting Employee Health and Safety Risk Assessments	%	100	100	100
Percentage of Operating Sites with ISO 45001 Occupational Health and Safety Management System Certification	%	100	100	100
Work-Related Injury and Safe Production Liability Insurance				
Work Safety Liability Insurance Investment for Employees	RMB 10,000	0	0	0
Employee Work-Related Injury Insurance Coverage Rate	%	100	100	100
Employee Work Safety Liability Insurance Coverage Rate	%	0	0	0
Occupational Disease Data				
Number of Employees Receiving Basic Physical Examinations	Person	282	269	268
Basic Physical Examination Coverage Rate for Employees	%	100	100	100
Number of Employees Receiving Occupational Disease Examinations	Person	67	64	63
Number of Detected Occupational Disease Cases	Person	0	0	0
Number of Detected Occupational Contraindications	Person	0	0	1
Occupational Health Examination Coverage Rate (for Occupational Hazard Positions)	%	100	100	100

Sieyuan
About Sieyuan Capacitor
Sound Governance Foundation, Steady Long-term Progress
Quality-Driven Development, Innovation-Empowered Growth
Low-Carbon Leadership, Green Future
Care for Growth, Share in Progress
Key Performances
Indicator Content Index

Indicator Content Index

SDGs Content Index

SDGs	Chapters	Our Actions
	Compensation and Benefits	• The Company pays social insurance and housing fund contributions in accordance with laws, covering basic rights and interests such as medical care, pension and housing. Centering on employees' work and life needs, it has built a multi-level welfare system including health care, family support and cultural benefits to enhance employees' sense of security and gain.
	Employee Care Occupational Health and Safety	• Warm birthday parties are held regularly for employees, enabling birthday celebrants to feel the warmth of our big family. Holiday allowances are provided for traditional festivals such as the Spring Festival and Mid-Autumn Festival to deliver joy and care; • Physical and mental well-being activities including annual team tours are actively organized to help employees relax and strengthen team bonding in busy work schedules. • Personal protective equipment (PPE) such as dust-and-toxin-proof masks, noise-proof earplugs, safety goggles and protective gloves is provided according to hazard factors of each position. Regular training on proper PPE wearing and supervision inspections are conducted.
	Training and Development	• The Company delivers regular on-boarding training for new employees through on-site internal lectures given by internal trainers. Multiple sessions are planned throughout the year to cover all newly recruited nonoperational employees.
	Diversity and inclusion	• Statutory benefits such as maternity leave, parental leave and maternity insurance are strictly implemented. Wedding and childbirth allowances are also offered to continuously improve the care mechanism for female employees; • Regular forums for female employees are held to listen to their voices and respond to reasonable demands in a timely manner.
	Water Resource Management	• The Company regularly analyzes water consumption data, identifies key water-saving links and carries out targeted improvements to continuously boost water use efficiency. In addition, measures including water-saving reminders, specialized training and publicity education are implemented to foster a Company-wide water-saving philosophy.
	Energy Management	• The Company continuously optimizes its energy consumption structure. Solar power is fully adopted for outdoor street lighting within the factory area, replacing conventional electricity consumption with renewable natural resources. Meanwhile, the Company proactively increases the proportion of green electricity procurement, gradually raises the share of clean energy utilization, and reduces reliance on fossil fuels.
	Human Rights Protection Diversity and inclusion	• Overtime work is standardized and managed properly. Employees are provided with compensatory leave or corresponding overtime pay in accordance with laws based on actual conditions, effectively safeguarding their legitimate rights and interests to rest, vacation and labor compensation. • Tailored job positions are assigned to persons with disabilities according to their practical capabilities and post requirements, together with reasonable working conveniences and barrier-free support, ensuring their equal access to employment opportunities and career development.
	R&D Innovation Energy Management	• The Company's laboratory is accredited by CNAS, with technical capabilities to conduct testing and calibration services in line with international standards. Multiple R&D achievements have won numerous honors, providing a solid experimental platform and technical verification support for product iteration and quality assurance. • Traditional fixed-frequency air compressors are replaced with variable-frequency ones, which dynamically adjust operating speed and output power according to actual gas-consumption loads, effectively avoiding energy waste and ineffective energy consumption caused by frequent switching between no-load and full-load status of fixed-frequency equipment. • Diesel-powered forklifts are phased out and replaced with lithium-battery forklifts. Traditional gas-fueled soldering irons are substituted with high-frequency electric soldering irons. Fossil energy consumption is reduced through equipment upgrading to further achieve energy conservation and emission reduction.
	Compliant Employment	• Adhering to the principles of openness, fairness, impartiality and merit-based selection, the Company broadens talent recruitment channels through a combination of social recruitment and campus recruitment. It allocates talents via internal training, internal selection and post transfer based on job requirements. Meanwhile, the Company releases position information, conducts resume screening and interview assessments following a unified recruitment process, and verifies identity information, educational background and work experience of prospective employees to ensure recruitment quality and employment compliance.

SDGs	Chapters	Our Actions
	Green Products High-Quality Customer Service	• The products adopt rapidly-degradable synthetic ester insulating oil, which delivers excellent electrical performance while significantly reducing environmental impacts and meeting application requirements for green electricity equipment. • The Company continuously monitors customer evaluations regarding product quality, issue resolution and collaborative support, taking customer feedback as a key basis for improvement. It optimizes internal management and collaborative response mechanisms continuously. Through customer opinion collection, issue reviews, complaint handling and satisfaction assessments, the Company systematically identifies service deficiencies, drives effective implementation of improvement measures, and steadily enhances customer satisfaction.
	Climate Change Response	• To scientifically support the formulation and tracking of carbon reduction targets, the Company conducts greenhouse gas (GHG) emission accounting in accordance with the international standard ISO 14064, applying standardized quantification methods to clearly identify and calculate GHG emissions within the defined scope. Authentic, accurate and traceable emission data lay a solid foundation for carbon target-setting, emission reduction performance evaluation, climate risk management and external disclosure of sustainability information.
	Anti-Corruption and Anti-Bribery	• The Company incorporates anti-corruption and anti-bribery requirements into regular business ethics training. Through routine publicity, case-based warning education and interpretation of compliance codes, it strengthens all employees' awareness of integrity in work, clarifies behavioral red-lines in business interactions, eliminates improper benefit transfers and irregular fraudulent acts, and improves a long-term integrity management and control mechanism.
	Communication with Stakeholders Sustainable Supply Chain	• Through diversified approaches including thematic meetings, specialized training, information disclosure, surveys and follow-up visits, the Company regularly collects and efficiently responds to reasonable demands from all stakeholders, integrates such demands into its sustainable development strategic planning and management mechanisms, and co-creates sustainable development value with all parties. • Using tools such as the *Supplier Selection Comprehensive Evaluation Form* and *Supplier Social Responsibility Audit Form*, the Company comprehensively investigates and rigorously verifies suppliers' operational status and sustainability performance from multiple dimensions including environmental compliance, labor rights and interests, business ethics, and occupational health and safety. Evaluation results and potential risk points are fully recorded and specially noted in the *Procurement Evaluation Report*, enabling proactive management and control, and dynamic tracking of supplier ESG risks, and continuously strengthening whole-chain sustainable management capabilities.

GRI Content Index

Statement of Use	Shanghai Sieyuan Power Capacitor Co., Ltd. has reported the information cited in this GRI content index for the period from January 1, 2025, to December 31, 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Chapters
GRI2 General Disclosures 2021	The organization and its reporting practices	2-1 Organizational details	About Sieyuan Capacitor
		2-2 Entities included in the organization's sustainability reporting	About the Report
		2-3 Reporting period, frequency and contact point	About the Report
		2-4 Information Restate	/
		2-5 External Assurance	/
	Activities and workers	2-6 Activities, value chain and other business relationships	About Sieyuan Capacitor
		2-7 Employees	Care for Growth, Share in Progress
	Governance	2-9 Governance structure and composition	Organizational Structure
		2-10 Nomination and selection of the highest governance body	Organizational Structure
		2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance
		2-13 Delegation of responsibility for managing impacts	ESG Governance
		2-14 Role of the highest governance body in sustainability reporting	ESG Governance
		2-15 Conflicts of interest	Business Ethics Development
		2-16 Communication of critical concerns	Communication with Stakeholders
		2-17 Collective knowledge of the highest governance body	ESG Governance
	Strategy, policies, and practices	2-22 Statement on sustainable development strategy	ESG Governance
		2-23 Policy commitments	ESG Governance
		2-24 Embedding policy commitments	ESG Governance
		2-25 Processes to remediate negative impacts	Sound Governance Foundation, Steady Long-term Progress
		2-26 Mechanisms for seeking advice and raising concerns	Employee Communication
		2-27 Compliance with laws and regulations	See This Report for Details
	Stakeholder Engagement	2-29 Approach to stakeholder engagement	Communication with Stakeholders
		2-30 Collective bargaining agreements	Democratic Management

GRI Standard	Disclosure	Chapters
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics Evaluation
	3-2 List of material topics	Material Topics Evaluation
	3-3 Management of material topics	Material Topics Evaluation
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Governance Performance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption and Anti-Bribery
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption and Anti-Bribery
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption and Anti-Bribery
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Management
	303-2 Management of water discharge-related impacts	Water Resource Management
	303-3 Water withdrawal	Water Resource Management
	303-4 Water discharge	Water Resource Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance
GRI 306: Waste 2020	306-1 Water generation and significant waste-related impacts	Pollution and Waste Treatment
	306-2 Management of significant waste-related impacts	Pollution and Waste Treatment
	306-3 Waste generated	Environmental Performance
	306-4 Waste diverted from disposal	Environmental Performance
	306-5 Waste directed to disposal	Environmental Performance
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Welfare and Care
	401-3 Parental leave	Welfare and Care

GRI Standard	Disclosure	Chapters
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Organizational Structure
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights Protection
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operation and supply chain points with significant risk related to freedom of association and collective bargaining	Human Rights Protection
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights Protection
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forces or compulsory labor	Human Rights Protection
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	High-Quality Customer Service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social Performance

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange Content Index

Dimension	S/N	Topics	Chapters
Environmental	1	Climate Change Response	Climate Change Response
	2	Pollutant Release	Pollution and Waste Treatment
	3	Waste Treatment	Pollution and Waste Treatment
	4	Ecosystem and Biodiversity Conservation	Biodiversity Conservation
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Energy Management
	7	Water Resource Utilization	Water Resource Management
	8	Circular Economy	Material Management
Social	9	Rural Revitalization	Fulfilling Social Responsibility
	10	Social Contribution	Fulfilling Social Responsibility
	11	Innovation-driven Development	R&D Innovation
	12	Science and Technology Ethics	N/A
	13	Supply Chain Security	Sustainable Supply Chain
	14	Equal Treatment to Small and Medium-sized Enterprises	Social Performance
	15	Safety and Quality of Product and Service	Product Quality and Safety, High-Quality Customer Service
	16	Data Security and Customer Privacy Protection	Information Security and Privacy Protection
	17	Employees	Care for Growth, Share in Progress
Governance Related to Sustainable Development	18	Due Diligence	Business Ethics Development, Sustainable Supply Chain
	19	Communication with Stakeholders	Communication with Stakeholders
	20	Anti-Commercial Bribery and Anti-Corruption	Anti-Corruption and Anti-Bribery
	21	Anti-Unfair Competition	Anti-Unfair Competition

SASB Content Index

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Chapter
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	Environmental Performance
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-EE-150a.1	Environmental Performance
	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Quantitative	Number, Kilogrammes (kg)	RT-EE-150a.2	Environmental Performance
Product Safety	(1) Number of recalls issued, (2) total units recalled	Quantitative	Time/Number	RT-EE-250a.1	Social Performance
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Currency	RT-EE-250a.2	Social Performance
Product Life Cycle Management	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	Percentage by revenue (%)	RT-EE-410a.1	Social Performance
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	Percentage by revenue (%)	RT-EE-410a.2	Social Performance
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Currency	RT-EE-410a.3	Social Performance
Materials Sourcing (Raw Material Source Management)	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1	Sustainable Procurement
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Discussion and Analysis	n/a	RT-EE-510a.1	Business Ethics Development
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Currency	RT-EE-510a.2	Governance Performance
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	Currency	RT-EE-510a.3	Governance Performance

Table 2. Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Chapter
Number of units produced by product category	Quantitative	Number	RT-EE-000.A	Social Performance
Number of employees	Quantitative	Number	RT-EE-000.B	Social Performance

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About Sieyuan Capacitor
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Quality-Driven Development, Innovation-Empowered Growth
Low-Carbon Leadership, Green Future
Care for Growth, Share in Progress
Key Performances
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